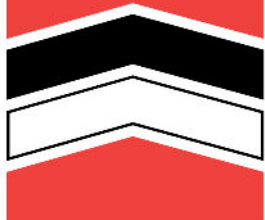


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WHAKAMANA TĀIAO



# Innovating Housing Futures: Waikato Case Study

Report for Affordable Housing for Generations – Component E  
December 2022  
Dr Bev James & Dr Gauri Nandedkar

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# Glossary

<b>Affordable Housing</b>	Housing that meets the needs of low to moderate income households at a price that enables them to meet essential living costs and meet an acceptable standard of living.
<b>Community Housing Provider (CHP)</b>	Not-for-profit organization with the objective of providing community rental housing, affordable rental housing or other affordable tenure. CHPs often integrate housing provision with 'wrap-around' services to meet tenants' various needs. CHPs are registered with the Community Housing Regulatory Authority and must comply with regulatory performance standards relating to tenancy and property management, governance and organizational management.
<b>Community Land Trust</b>	An affordability retention mechanism to acquire and hold land for the benefit of the public / community and provide secure affordable access to land and housing for community residents.
<b>Housing Affordability</b>	The cost of housing in owner occupation or in rentals relative to prevailing incomes.
<b>Housing Innovation</b>	A housing programme or policy new to the area adopting it. Including social (relations, processes) and technical innovations (materials, designs).
<b>Inclusionary Zoning</b>	Local and regional planning tools applying to a specified area that require a percentage of new dwellings to be affordable by people with low to moderate incomes.
<b>Intensification</b>	An approach to transfer urban areas into more compact, higher density urban forms. Also known as densification.
<b>Intermediate housing market</b>	Private renter households with at least one member in paid employment, and that cannot afford to buy a house at the lower quartile house price under standard bank lending criteria (see Mitchell, 2015).
<b>Key workers</b>	Occupations defined as 'key workers' are specific to local and regional labour markets and linked to critical labour and skill needs. They can include public sector workers, health care workers, agricultural workers and service workers.
<b>Public Housing</b>	Housing supplied to tenants eligible to receive the Income Related Rent Subsidy (IRRS). Public housing is supplied by Kāinga Ora and some registered CHPs.
<b>Social Housing</b>	Housing provided to people on low incomes or with particular needs, either by government agencies, councils or not-for-profit organizations, such as CHPs.
<b>Strategic network</b>	In this report, strategic network refers to networking and partnerships among key stakeholders to achieve affordable housing goals (see p.12).
<b>Value Uplift</b>	Where land is re-zoned or other planning change is introduced that results in an increase in development yield for the developer. A portion of the increase in value is retained by the public entity and used for affordable or social housing.

# Executive Summary

This report presents a case study of *social innovation* in housing, through the development of integrated responses to housing unaffordability within the Waikato region. The two linked innovative responses described are strategic networking (exemplified by the Waikato Housing Initiative – WHI), and the establishment of a community land trust (the Waikato Community Lands Trust – WCLT). The WHI is a multi-agency and cross-sectoral group with goals to improve the delivery of affordable housing that responds to local housing need. The WCLT is a charitable trust aiming to acquire land on which partners will build affordable housing.

Those responses have gradually developed over the past decade, in the context of a deepening awareness of critical regional housing issues, including lack of housing supply, declining affordability of homes to rent or buy, a growing intermediate housing market, an ageing housing stock and poor dwelling conditions, as well as rising homelessness.

This case study is one of several affordable housing innovation case studies undertaken in the Affordable Housing for Generations (AHFG) Research Programme, which is part of the Building Better Homes, Towns and Cities (BBHTC) National Science Challenge. This case study draws primarily on documents, statistical data and interviews with 15 key stakeholders.

The case study examined what affordable housing innovation means in the Waikato context and identified themes concerning the challenges and opportunities for increasing affordable housing supply. Several ‘success factors’ were identified as already in place to support the achievement of affordable housing innovation:

- There is a strong network of philanthropic organisations and community housing providers (CHPs) in the region.
- CHPs have in-depth housing knowledge and resources built up over decades.
- The WHI network, with its coordinated regional approach and an agreed strategic direction, brings together information, resources and skills to support the creation of affordable housing.
- Several councils in the region have developed their own housing strategies to guide future actions, informed by the work of the WHI.
- Consistent commitment among local political and organisational leaders has built up over several years to support the development of affordable housing.

Challenges were identified, both in reference to the WCLT, and more generally in regard to the creation of affordable housing. Those challenges include:

- The legislative, policy, funding, and market contexts in which affordable housing programmes operate.
- Complexities in councils co-operating to create affordable housing.

- Establishing and maintaining community support for social and affordable housing proposals.
- The need for planning for social infrastructure and the neighbourhood and built environments alongside affordable dwellings.
- Establishing an on-going funding stream to sustain affordable housing initiatives.
- Enabling district planning tools to support the development of affordable housing.
- Retaining housing affordability in the long-term. This requires a housing innovation to preserve affordability in ways that do not threaten the viability of the innovation.

We concluded that certain conditions are important for creating successful affordable housing innovation. These are concerned with the establishment of an agreed strategic approach across agencies and sectors and commitment to that approach by local leadership, the use of evidence-based decision-making, putting in place appropriate funding mechanisms to ensure the on-going sustainability of affordable housing initiatives, and effective communication to the public and stakeholders about the goals and actions needed to create affordable housing.

# 1. Introduction

Aotearoa/New Zealand has a severe under-supply of affordable, functional housing and rising homelessness (Amore *et al.*, 2020). Dwelling rental and purchase prices have increased substantially across the country over the last three decades (Goodyear *et al.*, 2021). Over the same time, home ownership has declined to the extent that in 2018, 41% of children aged 0-14 years were living in rental housing, a substantial increase from the 26.1% in 1986.<sup>1</sup> Illustrative of the structural decline in home ownership, the property investor-owned stock increased by 191%, while owner-occupied stock grew only by 37% between 1986 and 2018 (Saville-Smith, 2021). Private rentals dominate in the rental sector, while at the same time there has been a steady decline in public rental housing (Johnson, 2018). These significant deficits in the housing system act as a break on regional economies and are fuelling persistent inequalities. The adverse effects of unaffordable, poor condition and overcrowded housing on health and wellbeing are also evident (Howden-Chapman *et al.*, 2021; Perry, 2019; Saville-Smith (ed), 2019; White *et al.*, 2021).

The prevailing reliance on the market and welfarism to manage housing supply, demand and need has impeded acknowledgement of the urgency, depth and extent of housing problems (Barret & Garrett-Walker, 2021). Yet it has become clear that transformational change is required if entrenched housing deficits are to be successfully addressed. While there have been a few long-standing initiatives to address local housing problems with local solutions (such as the Queenstown Lakes Community Housing Trust, established by Queenstown Lakes District Council in 2007), other innovations are emerging in locations intent on generating a community-wide response.

In this report, we explore one example of an innovative regional approach aimed at increasing affordable housing. This is a case study of *social innovation* in housing, through the development of integrated responses to housing unaffordability within the Waikato region. Those responses have gradually developed over the past decade, in the context of a deepening awareness of critical regional housing issues, including lack of housing supply, declining affordability of homes to rent or buy, a growing intermediate housing market, an ageing housing stock and poor dwelling conditions, as well as rising homelessness (Brame, 2019).

The two linked innovations considered in this case study are strategic networking (exemplified by the Waikato Housing Initiative – WHI), and the establishment of a community land trust (the Waikato Community Lands Trust – WCLT). The WHI is a multi-agency and cross-sectoral group with goals to improve the delivery of affordable housing

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<sup>1</sup> Customized census data 1986-2018, age cohort analysis, by Natalie Jackson, for the Affordable Housing for Generations Research Programme, Building Better Homes Towns and Cities National Science Challenge.

that responds to local housing need. The WCLT is a charitable trust aiming to acquire land on which partners will build affordable housing.

While there is a considerable body of international research about community land trusts, research about strategic networking in relation to the creation of affordable housing is patchy. Consequently, in this case study we examine how strategic networking can be a key driver for the creation of affordable housing. We are also concerned to foreground how strategic networking and the community land trust are interrelated, evidenced in the emergence of a coordinated approach to addressing housing problems involving multiple organisations and sectors in the region.

This report is structured as follows. Section 2 describes the case study approach and explains the key concepts of ‘affordable housing’ and ‘housing innovation’ underpinning the case study. Section 3 outlines key themes in the research on community land trusts and strategic networking. Section 4 examines how affordable housing innovation has developed in the Waikato, describing the emergence of the WHI and the WCLT. Section 5 discusses the success factors identified in the literature as necessary for achieving affordable housing, as well as success factors and challenges identified in this case study. Finally, Section 6 summarises what can be learned from this regional-level case study about affordable housing innovation.

## 2. The Case Study

This case study is one of several affordable housing innovation case studies undertaken in the Affordable Housing for Generations (AHFG) Research Programme, which is part of the Building Better Homes, Towns and Cities (BBHTC) National Science Challenge.

The objective of AHFG is to contribute to the development of effective and practical approaches to alleviating the crisis of affordable housing and housing affordable to key workers through targeted research-based solutions, which will sustain people in their homes and communities over generations and contribute to thriving regions. The case studies point to exemplars and good practice models for investing in and increasing the supply of affordable housing. Each case study explores different affordable housing models and solutions, in order to generate knowledge of what works and what doesn’t, as well as the factors involved in achieving success.

This case study was chosen because it is located in an area of high population and economic growth, the Waikato region. The study was originally focused on learning about the processes of setting up the WCLT by the Hamilton City Council (HCC). However, as the research progressed, it became apparent that a wider, regionally-based study was warranted, as the development of the WCLT drew on years of work done by the WHI and other local organisations on affordable housing issues affecting the region. A wider lens was necessary to take account of the intertwined housing and employment markets across



territorial authorities within the region. The research therefore broadened its focus from the WCLT to strategic networking involving various initiatives targeted to improving housing affordability in the Waikato.

This case study draws primarily on existing documents, statistical data and interviews with key stakeholders. The documents examined consisted of housing strategies and planning documents, council briefings and minutes, annual plan submissions, housing and business capacity assessments, and relevant policies e.g., on development contributions. The case study also drew on other data and research on housing in the region.

Interviews with key stakeholders were conducted from July to October 2021, with a few additional interviews in early 2022. Participants included HCC staff, local Community Housing Providers (CHPs), Kāinga Ora staff, members of WHI, one WCLT board member, members of philanthropic trusts and others associated with residential development in the region. There was some disruption to the timing and conduct of interviews due to uncertainty around the impacts of COVID-19 restrictions on face-to-face meetings. No face-to-face meetings occurred; instead a total of 15 interviews were undertaken via Zoom.

The interviews were around 60 minutes. Participants responded to a set of questions about the nature and extent of housing issues in the region, the history and processes involved in developing solutions, as well as challenges, barriers and opportunities to addressing housing unaffordability. Specific questions relating to the individual experiences of participants and their organisations (where applicable) were also included. The interviews were conducted as extended conversations with participants able to guide the direction of the conversation within the framework of the set of questions. After the interview, participants were given notes of the interview which they could amend or add to. All interview participants and their responses have been anonymised in this report. Where their comments are presented, these may be paraphrased from the detailed interview notes. Comments closely reflect what was said but may not be direct quotations.

Interview transcripts were analysed to identify key themes, along with similarities and comparisons of different perspectives and experiences. Interview data has been analysed to extract these themes and related topics in response to the following questions:

- What is affordable housing innovation in the Waikato context? Whether and under what circumstances are affordable housing innovation models devised overseas, or elsewhere in New Zealand, applicable to, and of benefit to, the Waikato?
- What are the challenges and barriers to affordable housing supply and how are those proposed to be overcome?
- How can affordable housing be sustainably funded, and what does that mean in practice?
- What is the potential for affordable housing provision through diversified tenure?
- How can land use planning be harnessed for affordable housing?

## 2.1 Defining affordability

In this case study we are mindful of the important distinction between ‘affordable housing’ and ‘housing affordability’. For this distinction we are guided by the definitions used in the AFHG Research Programme.

Housing affordability and affordable housing are linked concepts. *Housing affordability* is a measure of a household’s ability to pay for its housing needs. As such, affordability is about the relationship between household income and household expenditure on housing (New Zealand Productivity Commission, 2012). Even households with higher than median incomes can experience housing unaffordability if their housing costs are very high.

A standard and internationally recognised definition of *affordable housing* is where a household spends no more than 30 percent of their gross household income paying rent or servicing the mortgage and non-discretionary costs associated with buying and operating a property (e.g., rates, insurances). Those households spending more than 30 percent of their gross household income on housing costs are deemed in *unaffordable housing*. Those households spending more than 50 percent of their gross household income on housing costs are deemed in *severely unaffordable housing* (Mitchell and Glaudel, 2017; New Zealand Productivity Commission, 2012).

A fundamental aspect of housing affordability, of relevance to this regional case study, is location – i.e., whether affordable housing is situated where people want to be and need to travel for work, education, and to access goods and services. Households can attempt to solve housing unaffordability by seeking lower priced homes on the periphery of cities, however these locations often require long and potentially expensive commutes to places of work (Li & Dodson, 2020). High transport costs can affect the ability of low- and moderate-income households to service their housing costs and may render their housing unaffordable (Mattingly & Morrissey, 2014). Indeed, some lower income renters endure high housing costs so as to live in job-rich locations (Hulse *et al.*, 2019).

Low-moderate income key worker households, necessary for the functioning of local economies, are often affected by unaffordable housing. This impacts on employers’ ability to attract and retain skilled staff. As a consequence, policies and programmes ensuring housing access and housing affordability for key workers in the intermediate housing market have emerged, including CLTs and other urban land market interventions and land tenure models (Mitchell, 2018; Wetzstein, 2021).

## 2.2 What is affordable housing innovation?

Several countries faced with significant housing unaffordability, including New Zealand, see innovation, primarily driven by the non-government sector, as contributing to solutions to a lack of affordable housing supply (Raynor, 2019). In this case study we use innovation in the sense of an activity that is new to the environment under examination, although it may have been in operation elsewhere (Walker, 1969).

Innovation is a broad concept, spanning governance, organisational processes, technical developments, marketing, entrepreneurship, knowledge creation and dissemination. It is not unusual for several types of innovative activities to be clustered together (OECD, 2009), as evident in the housing sector. While housing innovations are commonly understood in reference to technical innovations such as new types of materials, construction techniques and products, our focus on innovation in housing is concerned with *social innovation*; the transformation of social relationships and processes (Raynor, 2019; Rowley *et al.*, 2017). Characterised by building connections across sectors and working towards shared objectives, social innovation involves a wide range of actors, some of which may have not worked together before. Social innovation differs from technological innovation in three main ways:

“... it involves combinations or hybrids of existing elements rather than wholly new inventions; it requires cutting across organizational or disciplinary boundaries and; it generates compelling new social relationships between previously separate groups or individuals” (Raynor, 2019, p.1266).

These three aspects – combining existing elements, cutting across boundaries, and new relationships – are central to understanding how an innovative approach to addressing unaffordable housing is evolving in the Waikato.

## 3. The Innovations

The two innovations considered in the case study are: the establishment of a community land trust (CLT); and strategic networking. Key research themes relating to these types of innovation are outlined below.

### 3.1 Community land trusts

There is a substantial body of research about CLTs, which have long been seen as a way of creating and retaining affordable housing (Gray, 2008). CLTs operate in various countries with different housing markets, policies and legal frameworks, including the United States, Canada and the United Kingdom.

The programme logic behind the CLT model is that affordable housing will be achieved by taking the cost of land out of the equation and vesting the land in some type of enduring public or community ownership rather than in private ownership (Hackett *et al.*, 2019). The assumption is that when land remains in collective ownership, affordability and its benefits can be retained long-term for future generations. This positive effect is “far from trivial” because it de-commodifies land through reducing land-banking and speculation, both of which are major drivers of housing unaffordability (Wetzstein, 2021). Consequently, CLTs are often portrayed as a solution to the financialization and commodification of housing (Archer, 2020).

Although there are diverse models, CLTs share core characteristics (Crabtree *et al.*, 2012; Englesman *et al.*, 2018; Gray, 2008; Hackett *et al.*, 2019):

- Land is used as the primary, but often not the sole vehicle, to address housing unaffordability.
- The model is place-based, targeting affordability in a geographical area, and responding to local conditions and requirements.
- The land remains in public/community ownership and is leased on a long-term basis to organisations and/or households for the creation of affordable housing. This is often termed community land stewardship.
- Dwellings built on the common land can be owned by the land trust itself, and/or privately owned, either by households or other entities such as not-for-profit housing trusts.
- The land trust is a not-for-profit entity.
- Governance includes community representatives and there is resident involvement.
- Tenure security is a key principle.
- The financing, pricing and regulations pertaining to the use of the land, buying dwellings and land lease are designed and operated to retain and preserve long-term affordability. This is often called perpetual affordability.

CLTs are diverse in governance and organisational structures, although one classic CLT governance structure is a board consisting of three types of directors: one-third elected by homeowners; one-third elected by CLT members who reside in the community; and one-third appointed from interested parties such as public officials, private lenders and other community organisations (Gray, 2008; Mitchell, 2018; Rose, 2018). Some CLTs are stand-alone entities with their own governance board. Other CLTs are set up within a not-for-profit housing provider, other community organisation or local government entity, and may be governed by the parent entity or have their own board (Crabtree *et al.*, 2012; Rose, 2018).

CLTs can accommodate various tenures. While CLTs are often conceived as a means of increasing owner-occupation and thus designed around home ownership, many also provide other tenures including affordable, social and market rentals, intermediate tenures such as shared equity, boarding houses and cooperative housing. Many include community facilities and commercial premises as well as housing (Crabtree *et al.*, 2012).

Evaluations of CLT models note several challenges. One is that finance lenders, as well as local and central government agencies can be reluctant to engage with CLTs, due to lack of familiarity with the concept. Overcoming this impediment requires considerable resources and development of processes and practices that are acceptable to lenders and public agencies (Crabtree *et al.*, 2012). Targeting potential residents and allocating on the basis of housing need is a “contested issue” (Moore and McKee, 2012, p.284), with CLTs having to be transparent about their practices on the basis of fairness and inclusivity. Defining what ‘affordability’ means locally is critical to ensuring those in most need have access to

affordable housing. Issues around governance include: the representativeness of CLTs; the skills, resourcing and capacity of decision-makers; and CLTs' ability to balance CLT members' interests and housing needs with wider community perspectives (Moore and McKee, 2012).

CLTs have been described as a 'niche' rather than mainstream tenure (Mitchell, 2018). In part this is due to two key factors impacting the growth of CLTs: land availability, and funding constraints. With regard to the first factor, land is essential for new housing construction, yet suitable land available for residential development is a scarce and controlled resource (Lawson and Ruonavaara, 2020). The second major factor affecting the growth of CLTs is achieving an on-going revenue stream to enable the CLT's continuing operation and creation of more affordable housing. In itself, the rent obtained from leasing trust land to dwelling owners is an insufficient revenue source, since leases need to be kept affordable over time to preserve the principle of perpetual affordability (Mitchell, 2018). Therefore, CLTs must seek additional income. This is often difficult, since public funding for affordable housing has declined in many jurisdictions. Accordingly, attention has turned to generating alternative funding streams for CLTs through mechanisms such as density bonuses, inclusionary zoning and shared-equity programmes for owner-occupiers (Mintz-Roth, 2008; Moore and McKee, 2012).

There is equivocal evidence on whether CLTs create affordable housing. For example, Archer (2020) found sparse evidence of effectiveness of collective solutions such as CLTs in enhancing housing affordability. He concludes that a collective entity's operating environment – including housing market dynamics, central and local government legislation, policies and rules, and access to financing – powerfully impacts on its ability to achieve affordability. Despite multiple challenges identified in the literature, there is some evidence that residents in CLTs experience increased wellbeing, increased access to resources and greater security. Improved housing and life chances have been observed (Hackett *et al.*, 2019). Positive effects on neighbourhood stability, community development and social capital are also evident (Gray, 2008).

### 3.2 Strategic networks

There is little research specifically on the role of strategic networks in achieving affordable housing, although insights are found in analyses of the successful elements of housing innovation. Those elements highlight collective and coordinated initiatives involving effective networking and partnerships among key stakeholders, strong political leadership, and the establishment of a strategic approach that brings together stakeholders, policy levers and available resources.

Case studies of collective initiatives for affordable housing note that place-based housing strategies are important, since they provide a framework enabling issue identification, role clarity, and pooling of resources to develop solutions (Crabtree *et al.*, 2012; Meehan, 2014). For example, a shared affordable housing strategy developed by multiple organisations enables a coordinated approach that cements cooperation and commitment. Agreement on

a common strategy minimises duplication of effort and counter-productive competition, as well as allowing better use of resources (Gurran, Rowley *et al.*, 2018). Effective networking can help to formalise and expand existing collaborations, establish new partnerships and joint venture opportunities, leverage funding and bed-in predictability of funding over time (Lang and Stoeger, 2018; Raynor, 2019; Rowley *et al.*, 2017).

In her thesis about the provision of new housing in Hamilton, Dodd (2020) comments that stakeholders consider networks to be particularly well suited to solving complex problems like the delivery of new housing, because they are deemed to be a more flexible, responsive form of governance than traditional, hierarchical arrangements. Networks are also expected to overcome inherent inertias and conservative approaches to residential development. However, Dodd also points out that networks themselves can be subject to inertia, if there is a lack of clear leadership and direction, members have competing interests and priorities, the network's frame of reference ignores alternative perspectives, and if the network lacks the necessary tools to act. In that respect, Dodd's analysis echoes other research pointing out that unproductive approaches to generating affordable housing are the opposite of effective networking. Unsuccessful approaches are characterized by a siloed, rather than whole-of-industry focus, fragmented funding that drives opportunism, a lack of clear objectives, poor communication with stakeholders, and a focus on only one part of the housing system (Gurran, Rowley *et al.*, 2018).

## 4. Affordable Housing Innovation in the Waikato

This section firstly describes the regional context in which affordable housing innovation has developed, and then how innovation has developed, including the key organisations and institutions involved.

### 4.1 The Waikato region

The Waikato region includes all or part of 11 territorial authorities (TAs). The largest urban area is Hamilton, with an estimated population of 178,500 in 2021.<sup>2</sup> It is the fourth largest city, and the largest inland city in the country. Within the region, the three TAs of Hamilton City Council, Waikato District Council and Waipa District Council are identified as a Tier 1 urban area in the *National Policy Statement – Urban Development* (NPSUD), i.e., a high growth area that requires the councils together to plan for growth and ensure a well-functioning urban environment.<sup>3</sup> These three TAs occupy a strategic location in the middle

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<sup>2</sup> <https://ecoprofile.infometrics.co.nz/Hamilton%2BCity/Population/Growth>

<sup>3</sup> See <https://environment.govt.nz/acts-and-regulations/national-policy-statements/national-policy-statement-urban-development/>

of the golden triangle,<sup>4</sup> characterised by both high growth within the area, as well as growth pressures from surrounding regions (m.e Consulting, 2021). Considerable growth is evidenced by the development of the inland port at Ruakura and the Hamilton-Auckland corridor, a joint central government, local government and iwi planning project that recognises the significant housing and employment growth potential around Hamilton.<sup>5</sup> In recent years the region has seen significant residential developments in greenfield areas, particularly around Hamilton (Dodd, 2020). The three TAs have interconnected although distinctively different labour and housing markets. Those close linkages affect travel to work patterns and the location choices of households.

Furthermore, the region is the site of large-scale housing projects led by Kāinga Ora through its Regional Investment Plan.<sup>6</sup> Part of a long history of public housing provision in Hamilton and other urban areas within the region, Kāinga Ora owns over 3,000 houses in Hamilton and over 4,000 across the Waikato. It aims to deliver between 900-1,000 public and transitional housing units by 2024. This is essentially brownfields re-development of existing Kāinga Ora properties, opening up opportunities for intensification, since most of the Kāinga Ora stock is old and does not suit the growing demand for both smaller homes and larger family homes.

As well as considerable private and public sector housing developments, there is a substantial and long-standing infrastructure of registered community housing providers (CHPs). There are eight CHPs in the region, providing over 700 properties including affordable rental, public housing, and intermediate tenure. There are also a few not-for-profit entities that provide a small number of rentals and residential group housing.<sup>7</sup>

Despite both planned and actual increases in housing supply, these do not address housing unaffordability, nor housing stress. With regard to the three Tier 1 urban councils (Hamilton, Waikato and Waipa) the 2021 housing capacity assessment noted that the area is expected to continue to experience high levels of urban growth, with a projected demand for an additional 55,600 urban dwellings between 2020-2050 (m.e Consulting, 2021). That assessment further highlighted that Māori are not well served by the market. They have lower home ownership rates, larger households and lower household incomes, and are thus more likely to experience unaffordable housing. Across the region Brame (2019) observes:

- A potential shortfall of around 8,000 houses in the region in 2018, and increasing shortfalls expected over the next five years of between 17,000 and 22,000 dwellings.

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<sup>4</sup> The gold triangle region of Auckland, Waikato and Bay of Plenty is home to just over half the country's population, and has seen significant growth.

<sup>5</sup> See: <https://futureproof.org.nz/h2a/>; <https://www.hud.govt.nz/assets/News-and-Resources/Publications/7c160d667b/Cabinet-paper-Hamilton-Auckland-Corridor-Partnership-Plan-and-Programme.pdf>

<sup>6</sup> See: <https://kaingaora.govt.nz/working-with-us/construction-intentions-by-region/>

<sup>7</sup> Data on housing provided by CHPs and other not-for-profit organisations is sourced from Community Housing Aotearoa. Data relates to 2021, refers to both owned and leased stock, and likely under-estimates the numbers.

- Increasing numbers of households and individuals needing transitional and emergency housing.
- Increasing unaffordability, both in rental housing and housing for purchase.
- 53% of houses could benefit from retrofitting roof and/or sub-floor insulation.
- Changing housing needs of a diverse ageing population.

## 4.2 The Waikato Housing Initiative

The WHI dates from around 2016 when local organisations with an interest in addressing rising housing stress and declining housing affordability in the region convened a workshop. This initial engagement grew into a multi-agency cross-sectoral group that now consists of councils within the region, CHPs, philanthropic trusts, government agencies, Māori social service providers, community organisations, private lenders, private businesses and Waikato-Tainui. The WHI operates under the umbrella of the Waikato Plan, a multi-agency agreement that sets out a 30-year strategy for the region.<sup>8</sup>

The vision of the WHI is: “Every person and every family in the Waikato region is well housed, living in sustainable, flourishing and connected communities”.<sup>9</sup> Its four goals are:

- The Waikato region has a well-functioning housing system.
- Homes in the Waikato are good quality and protect the health and wellbeing of our people.
- Homes meet the diverse needs of Waikato people.
- Our housing system supports sustainable, resilient and connected communities.

The role of the WHI is to facilitate the delivery of affordable housing that responds to local housing need. To further its role, the WHI produces and updates a coherent set of housing data, presented through an online dashboard, to inform decision-making about proposals for residential development.<sup>10</sup> This dashboard builds on WHI’s work since 2016 to collect and analyse housing data, so as to better understand the nature and extent of housing issues facing the region, and to inform the development of a regional strategic approach to addressing housing affordability supported by stakeholders. Through this work the WHI has been able to reach a consensus among its members on what housing unaffordability means in the region, and the nature and extent of sub-populations that are affected by housing unaffordability.

### *Interviewees’ comments*

*We wanted to be ready if and when funding becomes available – therefore we needed data to enable identification of priority projects.*

*There’s an agreed problem definition and data analysis ... sharing resources and research ... This makes engaging with the Crown much easier ... all parties working together to make it happen ... bringing everyone to the table, a large body of knowledge and across organisations with critical supply levers.*

<sup>8</sup> <https://www.waikatoplan.co.nz/copy-of-waikato-plan>

<sup>9</sup> <https://www.waikatohousinginitiative.org/about-us/>

<sup>10</sup> <https://www.waikatohousinginitiative.org/housing-data-lake/>



To help advocate for and encourage affordable housing supply, WHI has developed an affordable housing scorecard. This is an assessment tool that can be used to identify housing proposals that merit the WHI's support and advocacy of the proposal to potential funders. The idea of the scorecard emerged from WHI discussions about how to evaluate housing proposals in a consistent way. The scorecard uses assessment criteria based on the WHI strategic priorities. The three broad criteria are: homes for people, project readiness and funding availability. Those criteria are further broken down into sub-criteria. Weightings are allocated to each of the sub-criteria so that a score is derived, which will guide the WHI's decision whether to support a proposal. The scorecard can be used in the early stage of proposal development to guide thinking on targeting, housing quality and design, as well as how affordability will be achieved. The scorecard can also be used to provide feedback to a proposer on how to improve their project.

### 4.3 The Waikato Community Lands Trust

As noted in Section 3.1 above, CLTs have been operating for decades overseas, though they are uncommon in New Zealand. The most obvious example is the Queenstown Lakes Community Housing Trust's Secure Home programme, in which land is held by the Trust and households purchase a right to occupy the dwelling and pay an annual land rent. There are also indications of emerging land trusts in Kapiti Coast District and Cambridge in Waipa District.<sup>11</sup> The Cambridge example, Bridge Housing, is based on Queenstown Lakes' Secure Home programme. Other New Zealand examples, which share common characteristics with land trusts include co-operative housing and co-housing (Berghan, 2021; Mitchell, 2018). Contemporary Māori papakāinga models, based on collective land-ownership and incorporating Māori urban design and dwelling design principles, emanate from long community-based traditions that introduce "Māori understandings and values into housing, land development and development processes in ways that existing Western frameworks have not been able to achieve" (Berghan, 2021, p.6).

While the WCLT is a recent development, there is a notable forerunner of modern European-style community land trusts in the Waikato; the Waikato Land Settlement Society, started by D. V. Bryant in the 1930s. The aim of the Society was to settle unemployed and indigent men and their families on land to be developed as farms. In keeping with the principles of modern land trusts, that innovation placed restrictions on re-sale to retain affordability and prevent speculation. That early example of a community land trust is part of the history of the D.V. Bryant Trust, a philanthropic body involved today in initiatives supporting the creation of affordable housing in the Waikato, including the WHI and the WCLT.

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<sup>11</sup> See <https://www.scoop.co.nz/stories/AK2206/S00141/kapitis-urgent-housing-need-prompts-consultation-on-affordable-housing-entity.htm>; <https://www.stuff.co.nz/waikato-times/news/128885924/new-housing-scheme-to-give-waikato-families-an-affordable-nest-but-no-nest-egg>; <https://bridgehousing.co.nz/>

## ***Establishing the WCLT***

The genesis of the WCLT was in a \$2 million fund set aside from the sale in 2016 of HCC pensioner housing stock to Accessible Properties, a registered CHP. The set aside fund was to be used for “research, administration, concepts, design and consent for providers of social housing in Hamilton.”<sup>12</sup>

Several ideas were suggested for the vehicle to operate the fund, including that the Council set up a housing entity, or allocate the funding to support CHPs to provide affordable and social housing. The idea of a CLT emerged with the publication of a place-based feasibility study funded by WEL Energy Trust (Rose, 2018) and the growing awareness of the positive progress made by the Queenstown Lakes Community Housing Trust. HCC led discussions about the fund with local philanthropic funders, CHPs and Waikato-Tainui, as well as Community Housing Aotearoa, the peak body for CHPs. From those deliberations, a view emerged that some type of CLT would be the preferred vehicle.

It was envisaged that a CLT would stand apart from any council or existing housing provider such as a CHP, would hold land and financial resources, and would be seen to be impartial in its operation. In March 2019 HCC councillors agreed that the \$2 million fund for affordable housing go towards a community land trust and that a community land trust model be developed.<sup>13</sup>

Work to establish the WCLT included consideration of its purpose and target group, its legal, governance and operational structures, options for the use of its funds, and how the trust would be funded to continue operating. The HCC formed an establishment committee of community representatives so that it was not solely the council making decisions about the trust’s establishment.

Early discussions about the purpose and focus of the WCLT concentrated on the ‘missing middle’ struggling in the housing market. The ‘missing middle’ are private renter households in paid employment, which cannot afford to buy a house at the lower quartile house price under standard bank lending criteria. Often termed the intermediate housing market, this group has steadily increased since the mid-1990s, and in 2015 it was estimated to make up 46% of all in-work private renter households in the Waikato region (Mitchell, 2015).

Several options for the trust’s legal and governance structures were considered. Due to the original focus on the ‘missing middle’, some non-charitable options were examined,

### ***Interviewees’ comments***

*The idea was that it would be purely a lands trust, not a CHP, and make land available ... try and reduce the inflationary cost of property. Resale must be kept affordable.*

*They saw a need to provide better access to housing for the ‘working poor’, who did not have housing security, and in precarious renting. This group is not eligible for much government housing support. Also there was the idea of home ownership benefiting both individuals and the community.*

*Setting up a third-party facilitator like a land trust, not in competition with other providers makes sense.*

<sup>12</sup> Minutes of the meeting of the Hamilton City Council, 14 March, 2019, p.4.

<sup>13</sup> Minutes of the meeting of the Hamilton City Council, 14 March, 2019, p.5.

including a non-charitable trust, or a company structure. Since there was a preference for a new entity to be driven by and representative of the community, setting up an entity within or connected to the HCC was not seen as appropriate. Eventually it was decided to establish the WCLT as a charitable trust.

In early 2020 HCC ran an 'expressions of interest' process to appoint initial trustees for the WCLT. The Trust Deed allows for 5-7 trustees, who are appointed through an appointments panel. The appointments panel was established as a mechanism to enable the appointments process to be done independently from the Trust, and to engage the wider community in the appointment process through panel members. The panel's composition is set out in Schedule 1 in the Trust Deed and consists of representatives of philanthropic trusts, the Waikato Mayoral Forum, Waikato-Tainui, the Waikato Branch of the Property Council NZ, the Waikato Branch of the Institute of Directors, and up to three independent members appointed by the panel. The panel has the power to remove trustees and appoint future trustees. It also has the power to review the WCLT's size and composition, and to monitor its functioning and activities. In 2022 the WCLT had 5 trustees, although it started with 7 trustees when the Trust Deed was signed in 2020.

Once the WCLT trustees were appointed, the original focus on the 'missing middle' and entry into home ownership was reviewed and the decision taken to widen the focus of the WCLT to include social as well as affordable housing, and rental as well as home ownership. This was done for two main reasons. Firstly, the trustees were aware of the growing need for more social and affordable rental housing in the Waikato. This trend had been well documented in the work of the WHI and the HCC.

Secondly, if the WCLT were to be registered as a charity, it would be required to have a primary focus on a charitable purpose and on beneficiaries defined as in charitable need by the Charities Act 2005. Those drafting the Trust deed for the WCLT were mindful of the implications of the High Court Queenstown Lakes case, which stated that housing is a basic right and need, but that home ownership is not.<sup>14</sup> This means that while housing trusts can operate programmes to assist people into home ownership, this can only be done in circumstances that show those assisted are in charitable need. As a consequence of the High Court judgement, the Queenstown Lakes Community Housing Trust was removed from the charities register. Following that case, in 2015 the Charities Service conducted a comprehensive review of all registered charities with housing purposes to assess that they had charitable purposes. The consequences of the High Court ruling and subsequent Charities Service review strongly indicated that the WCLT's original intent to focus on the 'missing middle' would make registration as a charity difficult. Failure to achieve registration as a charity would in turn lead to significant operating limitations for the WCLT, including the potential to access funding.

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<sup>14</sup> Queenstown Lakes Community Housing Trust [2011] 3 NZLR 502. See <https://charities.govt.nz/assets/Uploads/Queenstown-Lakes-Community-Housing-Trust-HC-WN-CIV-2010-485-1818-24-June-2011.pdf>

### ***The WCLT's vision, purpose and role***

The WCLT shares many core characteristics and principles with other CLTs. It is based on the idea that rising land costs are a key driver of housing unaffordability, and that removing the land cost component by vesting it in a not-for-profit entity will preserve housing affordability in perpetuity. Accordingly, the WCLT's purpose is to:

*To be the kaitiaki of Trust land for current and future generations, ensuring perpetual access to affordable housing.*

The WCLT's vision is similar to that of the WHI, i.e.,

*Every person and every family in the Waikato is well-housed. We envision a community where there are safe, comfortable, high-quality and affordable homes that enrich the lives of the residents and add stability to the surrounding community.<sup>15</sup>*

The WCLT sees its role as a facilitative one, through leveraging funding, working with partners such as CHPs to build affordable housing on land acquired by the trust, and advocating for plan changes such as the introduction of inclusionary zoning, in order to fund affordable housing developments.

### ***Funding the WCLT***

The WCLT started with a capital fund of \$2 million to be used to acquire land for affordable housing. No operational money was set aside for development of the trust, for on-going operations or for the purchase of land for affordable housing. Initial resources for establishing the Trust were provided through HCC staff time, which enabled necessary work to be done. One interviewee noted the value of that support, which enabled collation of information for making decisions and a range of administrative tasks required for establishing the entity to be completed. Subsequently, operational funding for the WCLT was obtained through a \$50,000 grant in the HCC's 2020/21 Annual Plan budget, and a WEL Network grant of \$50,000.

An on-going funding stream to maintain the WCLT and enable it to support the creation of social and affordable housing over time has not yet been established. However, the HCC has commissioned work on means for funding the WCLT, for example through value uplift tools such as inclusionary zoning, voluntary planning agreements or other types of developer contributions (Gurran, Gilbert *et al.*, 2018; Wetzstein, 2021). The introduction of such tools would require changes to the District Plan. The HCC's Housing Strategy includes actions to prepare "a report examining the potential to introduce inclusionary zoning policies into the District Plan", and to advocate for "legislative change to enable the use of inclusionary zoning and other value uplift and capture tools by local government".<sup>16</sup>

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<sup>15</sup> The WCLT purpose and vision are set out in the Trust's website, see <https://wclt.org.nz/>

<sup>16</sup> See the Strategy's Housing Action Plan: [https://www.hamilton.govt.nz/our-council/strategiesandplans/Documents/23505%20HCC%20Housing%20Strategy%20Action%20Plan\\_WEB.pdf](https://www.hamilton.govt.nz/our-council/strategiesandplans/Documents/23505%20HCC%20Housing%20Strategy%20Action%20Plan_WEB.pdf)

## 5. Success factors and challenges

For affordable housing innovations to be effective, challenges and barriers need to be overcome, and factors critical for success put in place and maintained. ‘Success factors’ include actions, processes, resources, knowledge, skills and other essential factors that enable the organisation to achieve its desired outcomes. Successful affordable housing innovations have been found to involve multiple success factors (Gurran, Gilbert *et al.*, 2018; Gurran, Rowley *et al.*, 2018; Lang and Stoeger, 2018; Raynor, 2019; Rowley *et al.*, 2017). These success factors are summarized as follows:

- A clear strategy for action.
- Effective communication of the strategy to providers of affordable housing, other stakeholders, and the general public.
- Strong local leadership that drives an integrated approach to increasing affordable housing supply.
- Sufficient organisational funding to sustain the innovation over the long-term.
- Appropriate tools to finance affordable housing development. There is evidence that both capital funding and land contributions are effective for realising affordable housing development (Gurran, Gilbert *et al.*, 2018).
- Sufficient staff capacity and capability.
- Essential information for planning and decision-making, such as data on demand for affordable housing, and accurate information about affordable rental and house purchase price points for different groups with an identified housing need.
- Policy, funding and delivery frameworks are consistent over time, to give certainty, and at the same time are flexible enough to respond to changing local conditions and requirements.
- Planning tools facilitate the creation of affordable housing that meets the needs of different households and ensure that affordable housing is built in the right places. One of the most effective planning mechanisms is inclusionary zoning targeted to local market conditions and housing need, and that allows a range of housing typologies and products (Gurran, Rowley *et al.*, 2018).
- A mechanism to maintain housing affordability in perpetuity, or at least for a specified time period.

### 5.1 Success factors identified in the case study

Interviewees identified ‘success factors’ already in place that they consider are critical to the achievement of affordable housing innovation. These factors are specific to the local environment, and include institutional and organisational factors, resources and activities.

Key success factors are:

- A strong network of philanthropic organisations and CHPs in the region. Those organisations have a history of working together, mature operational infrastructures and the necessary institutional knowledge focused on the provision of affordable housing.
- The CHPs have in-depth housing knowledge and resources built up over decades. In those respects, they act as important ‘pivot points’ for assembling the range of ideas, expertise, resources, funding and partnerships required to create affordable housing (Raynor, 2019).
- The WHI network, with its coordinated regional approach and an agreed strategic direction, is another pivot point, in that it brings together information, resources and skills to support the creation of affordable housing. Previous research work conducted by WHI has provided an essential evidence base to inform an agreed strategic direction. This work has enabled the achievement, across a range of public, private and not-for-profit organisations, of an agreed problem definition and definition of housing affordability, as well as a confirmed strategy, goals and the roles organisations will play in the creation of affordable housing. The WHI has also established an assessment tool, the scorecard, which enables identification of priority affordable housing projects.
- Several councils in the region have developed their own housing strategies to guide future actions, which is informed by the work of the WHI. These strategies enable the setting of clear goals and actions to guide decision-making within their areas.
- Consistent commitment among local political and organisational leaders over several years to support the development of affordable housing. These leaders are examples of the ‘socially skilled actors’ who play a key role in identifying and building working partnerships based on common interests in the creation of affordable housing (Lang and Stoeger, 2018).

***Interviewees’ comments***

*It’s good to have existing infrastructure of CHPs and philanthropic trusts, that gives confidence ... those who would make it work, including those who can provide wrap-around support. It’s a multifaceted, very complex system.*

*First you need to have a housing strategy, what are you trying to achieve, who are you trying to serve, what roles does council want to play, what roles are other organisations playing.*

*Overall, political will was important in progressing the idea of a lands trust to reality.*

## 5.2 Challenges identified in the case study

When talking about the challenges of creating affordable housing in the region, most of the interviewees’ comments focused on challenges in relation to the WCLT. The most critical challenge they identified was the need to establish an on-going funding stream for the WCLT so that it would be able to support the development of social and affordable housing over the long-term. While the WCLT might be able to increase the provision of housing stock in the short-term, the lack of a dedicated and certain funding pipeline to replenish its financial resources will be a significant brake on its long-term operation. One interviewee warned that, in the long term it may not be viable to continue with a separate land trust

entity, unless sufficient operational scale can be achieved and maintained. In order to achieve that, on-going funding will be needed. The imperative to fund land purchase, and to ensure retention of affordable housing, has spurred the HCC's work on value uplift tools to support the WCLT.

Some interviewees considered that the CLT model, originating from overseas, is in itself a challenge. For example, some interviewees noted that in New Zealand, the concept of using leasehold land for housing is uncommon. Consequently, the idea of a community land trust may not be well understood by the public, stakeholders, potential funders or bank lenders. Interviewees noted that there has not always been clear communication about what a CLT is and does, and how the WCLT will adapt that model to address the particular characteristics of housing needs in the region. They spoke of confusion about the Trust's purpose and functions, including how it would contribute to the overall growth of affordable housing in the region.

There were suggestions that the WCLT's roles and responsibilities could overlap with those of CHPs, with Iwi or with the WHI. For example, two interviewees noted that Iwi and CHPs hold land in a form of collective ownership, which share some similarities with the CLT model of land stewardship. The question was asked about the purpose and benefits of a CLT that would be in addition to the land stewardship roles of existing entities.

Another interviewee suggested that WCLT and WHI have similar roles, in that they can both be seen as advocates for affordable housing, and as working to leverage funding. However, it was also pointed out that the WCLT has a different role, in potentially holding land for the purpose of affordable housing. A widespread view among interviewees was that the WCLT should operate to complement and support affordable housing initiatives, that it should not duplicate efforts, nor compete with existing not-for-profit housing providers.

The question whether the CLT model is an apt fit with the region's social and cultural conditions and requirements, was also raised in the context of an appropriate governance structure for the WCLT, given the Treaty of Waitangi, and partnership with Iwi. The classic land trust governance structure of three types of directors (see section 3.1 above) was seen by some interviewees as inappropriate in the New Zealand context. They suggested changing to a 'home-grown' governance model compatible with and reflective of local cultural and social contexts.

Interviewees commented on other challenges for the WCLT, including the challenge of successfully delivering affordable housing on a regional scale, which would require addressing how councils could work together,

***Interviewees' comments***

*We need rigour around the governance model – what is the governance model that respects and supports strong Iwi leadership that involves community?*

*The land trust has struggled to find its place.*

*It's unclear what the land trust is and what their mandate and strategy are.*

*How to get sustainable investment?  
The uplift tools will be critical.*

*There's some disappointment that implementation hasn't happened quicker.*

including the implications of different planning rules, land availability and infrastructure requirements. Other interviewees noted a challenge in identifying and obtaining the right mix of skills and community representation in the governance of the Trust.

Finally, it was noted that the time taken to establish the WCLT has been a challenge. Inevitably, setting up a trust is a lengthy process, due to legal and funding requirements, and agreeing on operational details. Fundamental elements such as the trust's purpose, strategic direction, its target group(s), the types of tenures, initiatives and solutions that the trust will be involved in and support, and processes for partnering with others have to be worked through. Some progress was delayed due to the COVID-19 pandemic, particularly in 2020. Nevertheless, public expectations, as well as those of some stakeholders, have led to comments about perceived lack of progress, and disappointment expressed at the pace of implementation. These views underline the importance of information provision and communications with stakeholders and the wider community in order to clarify and manage expectations.

In summary, interviewees commented that innovation in the creation of affordable housing, whether through a CLT or through other vehicles or models, faces a variety of challenges:

- The legislative, policy, funding, and market contexts in which programmes operate. Government policy and funding settings, as well as private market financial lending settings, and how they interact, are instrumental in enabling or limiting affordable housing development.
- There are complexities in councils co-operating to create affordable housing. Interviewees noted the potential for partnerships among the 11 territorial authorities across the Waikato region, which to a greater or lesser extent share common housing and labour markets. Interviewees were of the view that councils should be encouraged to work together, as well as with the WCLT and CHPs, to increase affordable housing provision in the region. A consistent approach across local boundaries was seen as a fundamental component of partnerships. Currently, it is unclear how councils' district plans, Long Term Plans and housing strategies would support affordable housing initiatives across the region, and whether councils would be able to pool land, financial or other resources to achieve an agreed affordable housing goal.

***Interviewees' comments***

*A big blockage in the system is accessing finance, especially for not-for-profits.*

*We need a toolkit full of tools, one size does not fit all.*

*What will partnerships look like across multiple councils and multiple CHPs and housing markets? What would a regional inclusionary zoning policy look like across Waikato? What support is needed to help the wider housing community of practitioners to succeed?*



- Establishing and maintaining community support for social and affordable housing proposals, which are often met with strong and contradictory viewpoints. Some interviewees noted public anxieties about intensification, expressed in concerns about the appearance of multi-unit buildings, lack of privacy and potential decline in property values.
- The need for planning for social infrastructure and the neighbourhood and built environments alongside affordable dwellings. There was interest in affordable housing developments demonstrating the quality of both dwelling and neighbourhood design, and their ability to incorporate mixed tenure.
- Establishing an on-going funding stream to sustain affordable housing initiatives.
- Enabling district planning tools to support the development of affordable housing. This may require the introduction of new planning tools that actively encourage affordable housing, and which can potentially be used as an income stream to resource new affordable housing development.
- Retaining housing affordability in the long-term. This requires a housing innovation to preserve affordability in ways that do not threaten the viability of the innovation.

**Interviewees' comments**

*It's not only about the ability to provide affordable housing, but also quality housing ... More sustainable communities have people along the spectrum of housing – affordable homeowners, renters, market-price house owners.*

*There's a distinct lack of understanding of community elements to building new housing. Sprawl of new housing, no social infrastructure is planned alongside.*

*There needs to be levers to encourage the affordable housing to remain affordable over time.*

## 6. What we have learned about affordable housing innovation

A key question underpinning this case study, is “What is affordable housing innovation in the Waikato context?” Both the WHI and WCLT are examples of the potential for a region-wide innovative approach. Both entities aim to operate across the region, share a common vision, values and goals, have similar roles focused on increasing the supply of affordable housing, and include many common stakeholders.

The WHI is a clear example of a social innovation in the sense described by Raynor (2019), firstly because it is a specially formed entity that has brought together key organisations across the region to lead, resource and facilitate the creation of affordable housing. The WHI enables connections between previously unconnected organisations to be made, as well as strengthening existing connections.

While the WHI does not deliver housing, it brings together organisations and institutions that influence the funding and development of affordable housing in the region. Significantly, the WHI has achieved agreement on a strategic approach among those entities and therefore can act as a platform for change. Secondly, the WHI's activities distinguish it

from a simple information-sharing network. It has invested in creating an evidence base, a strategy, a monitoring tool (the dashboard) and a project assessment tool (the scorecard). The WHI's coordinated strategic approach is an important departure from simply meeting to share information and ideas. Instead, the WHI is a knowledge-generating initiative that aims to create the conditions for change. Eriksson (2017) notes the importance of both the use of existing knowledge and the generation of new knowledge in creating innovation in the residential construction sector.

While the WCLT has only been in operation for less than two years (at the time when interviews were conducted) and is in many respects still in its implementation phase, it can also be seen as an innovation for the region. The WCLT is socially innovative in that it aims to work across the region, rather than focusing efforts on only one council area. Like the WHI, the WCLT builds on existing relationships as well as forging new ones. Moreover, it also values the contribution of data to inform decision-making. The WCLT's independent appointments panel is innovative in that it brings a strong community focus to the Trust and aims for an impartial approach to the selection of trustees.

This case study has identified factors that can potentially help affordable housing innovations succeed, and some challenges or barriers to success. Echoing the research findings about success factors and barriers, this case study has identified the following conditions as important for creating successful affordable housing innovation:

- Leadership and commitment of political and organisational leaders, stakeholders and sponsors to realising affordable housing.
- Continuous, long-term funding to ensure the on-going sustainability of initiatives. Limited and uncertain funding is a significant impediment to the growth of affordable housing. There is a need for seed funding to set up operational infrastructure, on-going funding to support administration and capital funding to generate housing.
- Common agreement on goals, priorities and ways to achieve affordable housing across the housing and related sectors. Partnerships and collaboration among organisations and across sectors are required. There are particular challenges of working effectively at a regional level with a variety of stakeholders and interested parties, as well as different planning rules and requirements.
- Effective communication and engagement with the public, staff and external stakeholders that clearly articulates affordable housing goals, roles and responsibilities.
- Decision-making is more effective and supports innovation when it is evidence-based and when research, monitoring and assessment tools are invested in and used to support decision-making.
- There is local support for the creation of affordable housing through the use of planning tools.

## 7. Concluding Comments

This report presented a case study of social innovation in housing, looking at the development of integrated responses to housing unaffordability within the Waikato region. We highlighted two linked innovations: strategic networking (exemplified by the Waikato Housing Initiative), and the Waikato Community Lands Trust. Drawing primarily on documents, statistical data and interviews with key stakeholders, we examined what affordable housing innovation means in the Waikato context and identified themes concerning the challenges and opportunities relating to affordable housing supply.

We concluded that certain conditions are important for creating successful affordable housing innovation. These are concerned with the establishment of an agreed strategic approach across agencies and sectors and commitment to that approach by local leadership, the use of evidence-based decision-making, putting in place appropriate funding mechanisms to ensure the on-going sustainability of affordable housing initiatives, and effective communication to the public and stakeholders about the goals and actions needed to create affordable housing.

The themes identified in this case study could be further examined and expanded to increase our understanding of how affordable housing innovations are being developed and implemented in Aotearoa New Zealand. We suggest investigation of other strategic networking examples as tools for the creation of affordable housing. Internationally this is a little-researched area. There is also potential for exploration of the conditions needed to develop effective policy and planning tools for increasing the supply of affordable housing. Finally, this case study raises questions about what would a 'home-grown' CLT model look like. Waikato's adoption of the CLT model highlights the challenges of taking up an innovative approach that has been generated in various political, social and cultural environments. Those studies have suggested that an understanding of how local conditions, as well as local relationship dynamics may impact on an imported model and mediate its impact, is critical to its success (Gurran, Gilbert *et al.*, 2018).

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