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Say!



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Draft Elderly Persons Housing Policy

Consultation Document

We're reviewing our Elderly Persons Housing Policy and are proposing some changes. We want to hear what you think.

This document includes information on our proposal and how you can give us feedback.

We are accepting feedback until Sunday 26 July.



Ashburton
DISTRICT COUNCIL

Council's Elderly Persons Housing Service

The Ashburton District Council currently owns and operates 102 Elderly Persons Housing units across Ashburton, Rakaia, and Methven.



102

Elderly Persons Housing units

These units are available to rent for low-income older residents who have limited ability to secure warm, dry, and affordable housing in the private market.

All Elderly Persons Housing (EPH) homes are one-bedroom units, the majority of which were constructed over 45 years ago. Council also provides relatively long-term tenancies compared to other landlords, with an average tenancy of around seven years, supporting stability and security for tenants.

What is the policy about?

The Elderly Persons Housing (EPH) policy sets the basis for how Council will provide elderly housing in the Ashburton District, with the intention of it being a self-funding activity of Council (i.e. not ratepayer subsidised).

The policy provides clear guidance around who is eligible to live in Council owned EPH housing and how the level of rental is set.

Having a policy ensures that:

- Council's approach to providing elderly persons housing is clear, consistent, and transparent
- Eligibility criteria and rental setting are applied fairly and consistently
- The service is financially sustainable over the long term

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Say!

If you'd like to find out more, visit [ItsOurPlace.nz](https://www.itsourplace.nz)

Why are we proposing changes?

Back in 2021, Council consulted with the community on proposed changes to the way the service was funded.

Based on the feedback we received, Council began staged rental increases of \$10 per year. By 2027/28, our aim was that the service would operate without the need for top ups from ratepayers. However, a review of the service this year has highlighted a number of ongoing challenges that mean we need to reconsider how the service is funded both now and into the future.

The challenges

1.

Aging homes need a greater level of maintenance and repairs

Council has previously taken a conservative approach to maintenance to help keep the cost of providing this service affordable. However, as the housing stock has aged, this approach is no longer sustainable. A detailed assessment of all units has been carried out to better understand their condition. This work has shown that increased investment is now required to address deferred maintenance and to ensure the homes can continue to meet expected standards into the future.

2.

It's costing more to provide affordable housing

Like many households, the cost of running and maintaining these homes has increased over time and is expected to continue rising. Insurance, rates, and essential services all cost more than they did in the past. The cost of repairs has also increased. This means Council is no longer able to complete as many upgrades each year as it once could.

To continue providing this service at an acceptable standard, we need to increase funding to keep pace with these rising costs. This includes not only meeting day-to-day operating expenses but also ensuring there is enough funding available for ongoing maintenance and timely repairs. Without this, there is a risk that the condition of the units will continue to decline over time.

3.

Limited funding streams

Council does not receive direct funding from central government to provide elderly persons housing. This means the service can only be funded in two ways—through rent paid by tenants, or through rates paid by the wider community.

Given these constraints, and the intention for the service to operate with minimal reliance on ratepayer funding, Council is considering whether there are more sustainable funding approaches.

This includes exploring whether greater use could be made of existing central government support, such as the Accommodation Supplement and other forms of financial assistance, to better support tenants directly while helping to meet the cost of providing the service.



What are we proposing?

Council is proposing to set rents for Elderly Persons Housing at a minimum of 80% of market rent (baseline of 80%), with rents reviewed and adjusted annually in line with changes in the assessed market rate.

Why are we proposing this?

The current rental settings are no longer sufficient to cover the full cost of providing the service.

Since 2021, operating and maintenance costs have increased more than anticipated, meaning the service is unlikely to become self-funding as previously expected.

Setting rents at a baseline of 80% of market rent:

maintains rents below market levels, supporting affordability for low-income elderly tenants

provides a more sustainable funding base for the service

reduces reliance on ratepayer funding over time

helps ensure housing is maintained to a higher standard than before

may trigger more financial help from the Government for tenants

This approach balances the need to keep housing affordable for tenants while ensuring the service can be maintained to an appropriate standard into the future.



What does this option mean?

For tenants

It is important that rents remain affordable for tenants, which is why Council is proposing to continue setting rents below market levels. Moving to 80% of market rent would result in weekly rents of approximately \$208 to \$256, depending on the unit. For many tenants, this represents an increase of around \$48 to \$96 per week.

However, for those eligible for government support, such as the Accommodation Supplement, the actual increase paid may be significantly lower—potentially closer to \$4 to \$30 per week, depending on individual circumstances.

For ratepayers

Setting rents at baseline of 80% of the market rate would mean the amount of funding needed from ratepayers reduces over time. Within two years, it is expected that the service would no longer require ratepayer funding to operate.

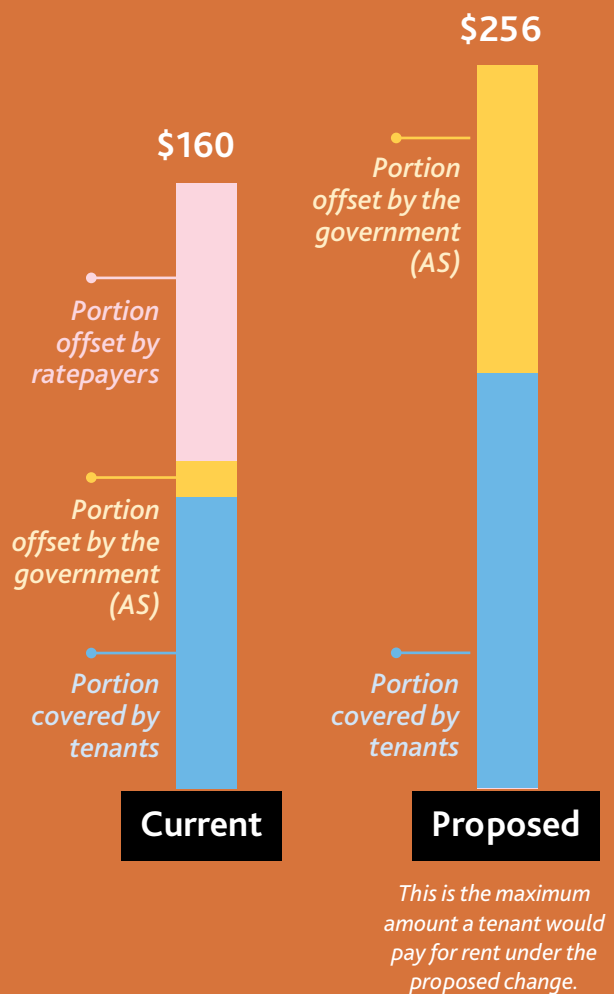
This is because rental income would better cover the costs of maintaining and running the housing service. This approach would help ease pressure on rates while supporting a service that can continue to operate sustainably into the future.

For the long term sustainability of the service

This option would provide more funding to support better management of the housing stock over time. As the homes continue to age, they require more regular maintenance and renewal. Increased funding would enable Council to carry out planned (cyclical) maintenance and renovations, as well as address maintenance that may have been delayed due to cost pressures. This would help ensure the homes remain warm, dry, and comfortable for tenants both now and into the future.

Current rents are set to keep housing affordable and, in practice, sit at around \$160 per week—only slightly above the Accommodation Supplement (AS) entry threshold of \$139.

This means tenants currently receive minimal additional support. Increasing rents to 80% of market levels would lift more of the rent above this threshold, allowing a greater portion to be offset through the Accommodation Supplement.



Other possible options

Maintain the status quo (ongoing ratepayer funding)

This option would see Council continue with the current rental increases until 2027/28. Under this option ongoing and increasing funding would be required from rates in order to cover the basic costs of providing housing.

From 2027, just over \$100,000 of rates input would be needed, this is predicted to increase to around \$250,000 by 2034/35.

To keep ratepayer funding as low as possible, Council would maintain the current amount spent on renovations and repairs.

Benefits

- ✓ Rents would remain lower than under other options.
- ✓ This option continues the current approach, which tenants are already familiar with.

Considerations

- ✓ The amount of funding required from ratepayers is expected to increase over time, which would place additional pressure on rates.
- ✓ Maintaining current spending levels may mean some maintenance and improvements are delayed, which could affect the condition of homes over time.
- ✓ This approach may make it more difficult to ensure the housing service is financially sustainable in the long term.

Implement a staged approach to reaching 80% market rate

This option would involve setting rents at baseline of 80% of the market rate, as proposed, but phasing in the increases over a longer period. This would reduce the immediate impact on tenants by spreading rent increases over time.

Under this approach, ratepayer funding would still be required until rental income is sufficient to cover the costs of providing the service.

Over time, as rental income increases, Council will be able to increase investment in maintenance and renovations, helping to improve the condition of the housing stock.

Benefits

- ✓ Spreads rent increases over time, which may make the changes more manageable for tenants.
- ✓ Provides additional time for tenants to adjust their budgets or seek financial assistance.
- ✓ Allows Council to transition gradually toward reduced reliance on ratepayer funding.

Considerations

- ✓ Some tenants may not receive the full benefit of government support (such as the Accommodation Supplement) if rent levels do not reach eligibility thresholds.
- ✓ Ratepayer funding would be required for a longer period compared to fully implementing the increase sooner.
- ✓ Slower increases in rental income may delay improvements to the housing stock, including planned maintenance and upgrades.

Other changes

Other changes proposed to the policy include:

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What	Why
Eligibility criteria	Council will prioritise applicants who meet the eligibility criteria in full. However, some flexibility is considered important so that others with a demonstrated housing need may also be considered where appropriate. What are we proposing? Adding an additional clause to the eligibility criteria that allows applications to be assessed as either priority applications (from those who meet all of the criteria) or discretionary applications (those who may not meet all of the criteria but have a demonstrated need for Council's housing)
Animals	Clauses related to dogs have been updated to better align the policy with relevant legislation.
Other minor changes	For clarity and alignment

How has the draft policy been prepared?

The draft policy has been developed following a review of the Elderly Persons Housing service since the last policy update, including understanding the changes in operating and maintenance costs and how much this is likely to cost over the next 10 years.

Council has met with tenants to understand the potential impacts of proposed changes and worked with Ministry of Social Development (MSD) to better understand what financial assistance tenants may be eligible for, and how many may be affected by the full rent increase.

The draft policy also aligns with approaches used by other councils and community housing providers, where 80% of market rent is commonly used as a rent setting mechanism.



2024
Last Policy Review



2025
Condition Assessments



2025
Strategic Service Review



2026
Tenant Engagement

What happens next?

Thursday 25 June



Consultation opens

Council will accept feedback from the community on the draft policy

Sunday 26 July



Submissions close

This is the last date for the community to lodge feedback

Tuesday 25 August



Hearings and deliberations

Those who gave feedback can speak about their feedback in person. Council will consider all feedback and decide on any further changes

September 2026



Final policy adoption

Council will adopt the final version of the policy

1 July 2027



Proposed changes take effect

Policy takes effect

Have your
Say!

**What's the best for our
community? Let us know!**

Submissions close Sunday 26 July

Fill out the attached short survey and return it via:



FREEPOST

Ashburton District Council
Freepost 230444
Ashburton 7740



IN PERSON

Dropping it off at:
Ashburton District Council
2 Baring Square East

You can also provide feedback:



ONLINE

ItsOurPlace.nz



EMAIL

submissions@adc.govt.nz



**The easiest way to
provide your feedback
is online at**

ItsOurPlace.nz

Draft Elderly Persons Housing Policy

1 How are you connected to this topic?

- ☐ Tenant of Council housing
- ☐ Support provider
- ☐ Housing provider
- ☐ Interested member of the community
- ☐ Other
- ☐ Prefer not to say

Given the challenges explained earlier, we are proposing to increase rent for Elderly Persons Housing to a baseline of 80% of market rate.

2 Do you agree with the proposed change to the way rent will be set?

- ☐ Yes ☐ No ☐ Alternative suggestion

Please explain:

We are proposing to change the way applications for elderly persons housing are considered (i.e. introduce discretionary eligibility).

3 Do you agree with the proposed change?

☐ Yes ☐ No ☐ Alternative suggestion

Please explain:

4 Do you have any other comments or feedback?



You can also provide your feedback online at ***itsourplace.nz***



Have more to say? Feel free to attach additional pages to your submission.
You can also provide your feedback online at ***itsourplace.nz***

YOUR DETAILS

Name:

Organisation (if applicable):

Address (optional):

Phone:

Mobile:

Email:

Do you wish to present in support of your submission at the hearing?

(if no boxes are ticked, it will be considered that you do not wish to be heard)

☐

Yes: The hearing is expected to be held in Hine Paaka (*Council Chamber*) on Tuesday 25 August 2026. Please note that hearings will be live-streamed to our online channels.

If yes, do you wish to present:

☐

In Person

☐

Virtually

☐

No: I do not wish to speak in support of my submission and ask that the following written submission be fully considered.

Please note that submissions are public documents and will be made available on Council's website, including names of submitters (but not contact details). Find out more at ashburtondc.govt.nz/privacy

Submissions presented in the form of a petition or accompanied by multiple signatures will be processed as a single submission.



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