

FAQ

Q: Why has Kainga Ora decided not to proceed with the proposed development at Teitei Drive?

A: As the Teitei Drive development has progressed through the detailed design and planning phases, it has become clear that the \$5.2 million allocated by the Crown Infrastructure Partners for land development is no longer sufficient to complete the project as originally scoped in 2021.

This, combined with current economic and market pressures, has meant that the project is not financially viable for Kāinga Ora, and we would be unable to deliver the intended affordable housing outcomes.

While we have considered multiple options, it is due to these factors that we have determined it is not feasible for Kāinga Ora to proceed with the project.

Q: Why have you found out now that the costs of the proposed development are higher than initially forecast?

A: Last year, Kainga Ora identified that the land development costs were higher than when the development was originally proposed in 2021.

The proposed masterplan was subsequently reviewed and revised in an effort to reduce costs. An independent quantity surveyor completed a cost assessment at the end of January 2024 based on the latest masterplan and found there would still be significant additional costs required to complete the land development.

Q: What is happening with the resource consent application for enabling works Kāinga Ora intended to lodge in February?

A: We will not be submitting a resource consent for enabling works as we had previously signalled.

Q: What is happening with the CIP funding that was allocated to this project?

A: Given this is a very recent decision, we are still working through the terms of the funding agreement with the Crown Infrastructure Partners and our project partners.

Q: What are the next steps?

A: Kāinga Ora remains committed to working closely with Ruapehu District Council and Ngati Rangi to explore opportunities to deliver public and affordable housing, as together we recognise that the need for housing in Ruapehu District remains.