

## Information sheet: Sale of Dixon Street Flats

### **Why have you decided to sell the Dixon Street Flats?**

The 11-storey heritage-listed building has been used for social housing for more than 80 years. However, the age, condition and configuration of the building means it would need significant upgrading if we wanted to keep using it for social housing. The size of the building and the extent of the work required made the costs of upgrading extremely high, and the holding costs for ongoing security and maintenance are also significant.

As part of our reset we have been looking closely at our property portfolio to ensure we're spending funds wisely and investing in the right places at the right time.

After carefully considering the cost and complexities of continuing to use this historic building for social housing, we decided selling it would be the best course of action as it would open up opportunities for others to make use of the building.

### **Why did you have to offer it first to Taranaki Whānui Limited?**

The property is subject to a Right of First Refusal. Port Nicholson Block Settlement Trust (PNBST) are the mandated iwi authority that manages the Treaty Settlement on behalf of the broader beneficiaries of Taranaki Whānui.

### **How much did the building sell for?**

We have accepted an offer of \$1.04 million from Taranaki Whānui Limited. While this is below the property's most recent valuation, we are comfortable that the price reflects the unique value of the building.

### **Why have you taken so long to reach a decision on the future of the Dixon Street Flats?**

The unique aspects of the building added a layer of complexity to the decision-making on what should be done long-term with the property. Up until late 2024 we have also still had customers living in the building.

### **Does this decision signal that Kāinga Ora is moving to reduce its portfolio of social housing in the Wellington region?**

Kāinga Ora remains committed to delivering on the government's social housing expectations in the Wellington region and will continue to invest in both growing and renewing the State housing stock.

### **How will the funds from the sale be used?**

When we sell a Kāinga Ora property or land, the funds are reinvested to renew our homes.