

5 October 2023

s9(2)(a)



Thank you for your requests for information under the Official Information Act 1982 (the Act).

On 11 August 2023 you requested:

- “1. Details of all housing developments undertaken and completed by KO in the geographical area of Hawkes Bay since 1 January 2017.*
- 2. Details of all housing developments and/or properties acquired by KO and the geographical area of Hawke’s Bay since 1 January 2017.*
- 3. Details of all KO housing projects currently being undertaken or which are currently contemplated but which have not yet been completed.*
- 4. In each case of 1, 2 and 3 above, please provide the details specifying the number of homes/housing units acquired and/or developed by KO in the geographical area of Hawke’s Bay since 1 January 2017.*
- 5. In each case of 1, 2 and 3 above, please provide the details specifying the total cost of each development and the cost per homes/housing units acquired and/or developed by KO in the geographical area of Hawke’s Bay it’s 1 January 2017.*
- 6. In each case of 1, 2 and 3 above please provide the details of all tendering or acquisition processes adopted by KO including all information on how KO has complied with government procurement rules and processes.”*

On 16 August 2023, you confirmed that they were requesting the above information for the following Territorial Local Authorities (TLAs):

- Napier City
- Hastings District
- Wairoa District
- Central Hawke’s Bay District.

The date for Kāinga Ora to reply was extended on 12 September 2023 by 20 working days under section 15A(1)(b) of the Act as “consultations necessary to make a decision on the request are such that a proper response to the request cannot reasonably be made within the original time limit.”

Kāinga Ora acquires properties in the following ways:

- **Acquired new** - new housing delivered by a builder/developer on land not already owned by Kāinga Ora.

- **Redevelopment** - new housing delivered by a builder/developer on land already owned by Kāinga Ora - either after existing homes are deconstructed, demolished or removed from a site, or on vacant land.
- **Acquired existing** – existing homes bought by Kāinga Ora through a Sale and Purchase agreement.
- the Kāinga Ora **pipeline** consists of homes that are currently being planned, procured, contracted and under construction, either as acquired new or as a redevelopment.

In the Hawke’s Bay, there were 615 homes delivered from 1 January 2017 to 31 July 2023, and 661 in the pipeline, as follows:

	Units
<b>Additions</b>	
Acquired existing	155
Acquired new	93
Redevelopment	367
	<b>615</b>
<b>Pipeline</b>	
Acquired new	186
Redevelopment	475
	<b>661</b>

The homes delivered are both public homes (homes rented to tenants, with a tenancy agreement) and 49 supported homes (homes that Kāinga Ora lease to supported housing providers so they can successfully deliver their services to some of vulnerable people).

For all of these homes, I am withholding the street numbers to protect the privacy of current and future tenants under section 9(2)(a) of the Act. The street name and suburb is provided.

Cost, project yield and location information

*Additions*

I am providing the total project cost and number of homes delivered by each project, not individual home cost. Providing the build cost and share of development costs for each individual home would require accessing individual files or obtaining extensive information from the developer or builder.

The individual cost of each home is not centrally recorded and I am refusing the part of your request for individual house prices under section 18(f) of the Act, as the requested cannot be made available without substantial collation or research. The “total cost” per project in Attachment 1 includes operating expenditure, capital expenditure and demolition costs where relevant.

Attachment 1 provides the location, project yield and price information for the following:

- 155 homes acquired existing from 118 purchases from previous owners, ranging from single purchases to 14 homes.
- 93 homes acquired new from 15 from developers/builders, ranging from a single purchase to 14 homes.

- 294 of 367 homes delivered through redevelopment. The cost of 20 redevelopments on Kāinga Ora land yielding 73 homes is not included, as some projects were delivered as a group of developments across a number of suburbs, and the individual project cost information and suburb cannot be separated out for these 20 redevelopments. The “rolling up” of development costs (for example if one build partner was contracted to deliver redevelopments on multiple sites) in this way was the practice of one team in Kāinga Ora delivering homes for a short period, and is no longer recorded in this way. I am refusing this part of your request under section 18(f) of the Act as the information requested cannot be made available without substantial collation or research.

### *The pipeline*

The pipeline consists of homes that are being planned, procured, contracted and under construction.

- The pipeline as at 31 July 2023:
  - 186 homes in the pipeline yet to be delivered by developers/builders (acquired new)
  - 475 homes in the pipeline yet to be delivered through redevelopment.

I am refusing the part of your request for the price of 653 of the 661 proposed homes under section 18(e) of the Act as the total cost information requested does not exist.

These developments may not proceed as proposed or at all, and have no current total cost available, apart from the project price information for two developments yielding eight homes, that were in the pipeline as at 31 July 2023 that have been completed but not yet added (but will soon to be added) to the Kāinga Ora housing stock. These two projects are three homes in Saint Leonards, Hastings at a total cost of \$2,550,000 and five homes in Mahora, Hastings at a total cost of \$3,750,000.

### Procurement

I am refusing this part of your request under section 18(f) of the Act as the information requested cannot be made available without substantial collation or research. To provide the detail of every tender or acquisition process for each development would require accessing each individual file and recording and summarising this detailed information.

I can tell you that by working within our procurement policy and delegated financial authority, Kāinga Ora ensures it is complying with procurement rules and processes set out by the government. Attachment 2 provides the Kāinga Ora procurement policy.

Our preference is to use existing supply arrangements (contracts and panels) before we approach the market with new tender opportunities. New opportunities to provide goods, services or refurbishment works over \$100,000 and new construction works over \$10 million will be advertised on the Government Electronic Tendering Service (GETS). This free service is provided by the Ministry of Business, Innovation and Employment.

Kāinga Ora – Homes and Communities engages with suppliers on various panels to procure works and services to undertake the build program and maintenance activities on existing properties.

The pre-qualification of these suppliers is based on the following factors:

- Evidencing capability, track record and capacity to provide the works or services suited to specific scope
- Evidence of requisite levels of Insurance and Health & Safety requirements
- Accepting terms and conditions of specific contract types
- Alignment with our five Building Momentum areas of focus where appropriate

- Alignment with Strategic Social Procurement guidance where appropriate.

As part of our focus on improving the efficiency and effectiveness of our residential construction program we will regularly review all existing panels to efficiently deliver growing volumes of work.

More information on existing Kāinga Ora sourcing arrangements can be found at:

<https://kaingaora.govt.nz/working-with-us/procurement-supplying-goods-and-services-to-us/existing-kainga-ora-sourcing-arrangements/>.

A procurement plan is completed for each project detailing the site, suppliers being invited to tender, available budget and the method of evaluation to be utilised (among other procedural requirements). A request for proposal is then released to the selected panel members and evaluated by the relevant subject matter experts. A recommendation report is completed for each project outlining how the successful respondent was selected using the evaluation criteria, and is endorsed by both the relevant Procurement Manager and the new development Delivery Manager Programme Director.

### Further information

One of the specific reasons Kāinga Ora was created in 2019 was to be an urban planner, designer and developer. It partners with private developers and builders in order to do this. It buys and sells land in order to grow the amount of state, affordable and market homes.

Kāinga Ora has invested billions of dollars into its build programme and land development for the building of more homes in the past four financial years. This is money being spread throughout the country. Through our Construction Partnering Agreements and long-term contracts with our build partners, we are providing certainty of work and stimulating local economies.

For more information about the proposed developments in Hawke's Bay:

<https://kaingaora.govt.nz/urban-development-and-public-housing/public-housing/public-housing-developments/hawkes-bay-region/>.

More information on stock numbers, pipeline and developments can be found at

<https://kaingaora.govt.nz/> and <https://www.hud.govt.nz/stats-and-insights/the-government-housing-dashboard/housing-dashboard-at-a-glance/>.

You have the right to seek an investigation and review by the Ombudsman of this decision.

Information about how to make a complaint is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or freephone 0800 802 602.

Please note that Kāinga Ora proactively releases responses to official information requests where possible. Our response to your request may be published at

<https://kaingaora.govt.nz/publications/official-information-requests> with your personal information removed.

Yours sincerely



Rachel Kelly  
**Manager Government Relations**