Kāinga Ora
Homes and Communities

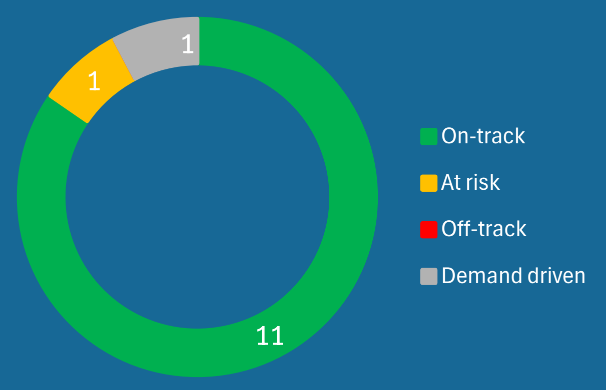
Quarterly Report

January – March 2026

The purpose of the report is to communicate our performance against our:

- Statement of Performance Expectations (SPE) 2025/26
- Letter of Expectations (LOE)
- Strategic objectives
- Reset Plan

Summary of Output Class SPE results



Note: Performance in this report is being monitored against the 2025/26 SPE budget unless noted otherwise. Where relevant, our updated Budget Economic and Fiscal Update (BEFU) is included for comparison purposes.

Performance at a glance

Our organisation

Our financial sustainability and cost efficiency

Measure	Result	Comparison
YTD Net surplus/(deficit) before tax	($32m)	YTD Budget ($290m) Full Year Budget ($423m)
YTD EBITDA	$849m	YTD Budget $670m Full Year Budget $861m
Overhead costs / total revenue	8.1%	Full year budget 8.4% Baseline 2023/24 –13.1%
Earnings to interest cost ratio	1.9	Full Year Budget – 1.4 Baseline 2023/24 – 0.8
Fin 1.2 EBITDA as a percentage of total income (FIN1.2)	48%	Full Year Budget 37% Baseline 2023/24 – 20%
Fin 1.3 - Cost per square metre*	$3,159	Full year target $2,980 Baseline – 2023/24 - $3,473

Our people

Measure	Result	Comparison
Full-time equivalents (FTEs)	2,293 FTEs	Budget – 2,529 Last quarter – 2,300 FTEs
Total people costs	$202m	YTD Budget $213m Full Year Budget $287m

Our portfolio

Measure	Result	Comparison
Total homes	77,609	SOI target – 77,800 – 78,800
SPE 3.1 – Hectares of land Redeveloped	20.9 ha	Full year target ≥18 hectares
Total borrowings	$18.0b	Budget $18.5b
SPE 3.2 – Number of homes enabled on land developed	486	Full year target ≥787

Our homes

Measure	Result	Target
SPE 2.1 - New and retrofitted homes	972	Full year target 2,075-2,575
SPE 2.2 - Daily utilisation	99%	Full year target ≥98.0%
SPE 1.1 - Tenant satisfaction with Housing Support Manager	79%	Target 75%-85%
SPE 2.3 – Vacant to let	21 days	Full year target ≤27 days
SPE 2.4 - Tenant satisfaction with maintenance	85%	Target 75% - 85%
SPE 1.4 – Tenant satisfaction with Customer Support Centre interactions	91%	Target 75%-85%

Our services

Measure	Result	Target
SPE 1.2 - New debtors with repayment arrangement in place within 21 days of rent overdue	89%	Target ≥85%
SPE 1.3 – Tenant rent debt	$3.9m	Target ≤$6.0 million
SPE 4.1 – First Home Loan mortgages underwritten	3,033	Full year target – demand driven
SPE 1.5 – Disruptive behaviour – action taken in 15 days	99%	Target ≥90%
SPE 1.6 - Successful applications to end tenancy with tribunal for disruptive behaviour	90%	Target ≥85%

Key

- On track
- At risk
- Off track
- Demand driven

SPE 2.1 – Status remains amber – Despite steady delivery progress, regional constraints are creating delivery challenges. Kāinga Ora are actively working with HUD to manage and address these issues,. The organisation is focusing on maintaining a value-for-money decision-making framework and avoiding additional costs or sub-optimal outcomes in pursuit of short-term delivery targets. Refer to the Our Housing Portfolio section for further detail.

*This measure includes only above-ground build costs.

Executive summary

- **Financial performance remains strong** – this is supported by **continued disciplined cost management and lower operating expenses**, resulting in improved cash flow. **EBITDA of $849 million year-to-date** is $178 million ahead of budget, driven primarily by **lower property costs** ($102 million), **non-property costs** ($108 million), and asset **write-off expenses** ($42 million). This has been partially offset by **lower-than-budgeted income** from land sales **($74 million)**. This has resulted in a **net deficit (before tax) that is $259 million better than budget**.
- **Year to date capital expenditure -** is **$570 million below budget**, largely due to timing shifts and planned savings initiatives. The variance is primarily driven by **New Housing Supply ($386 million under)**, reflecting unit deliveries reforecast to late 2025/26 and early 2026/27 and lower acquisitions delivered year to date. **Urban Development is $69 million under budget** due to slower spend on large scale projects, while maintenance and retrofit spend is lower from realised savings and changes to the maintenance programme mix.
- **Housing delivery** - **National housing delivery remains steady,** while regional capacity and planning constraints continue to affect timing. **Renewals are forecast to fall slightly short of the net-nil target,** with regional delays expected to be recovered in 2026/27. **Delivery risks from Auckland planning changes** are being actively managed through market acquisitions and flexible construction approaches.
- **Sales and divestments** – Kāinga Ora remain confident in meeting the LOE target for sales and have a healthy pipeline of transactions to support future redevelopment opportunities. Kāinga Ora sales and divestment of vacant land is also progressing well, with the Ferncliffe marketing campaign closing in April 2026.
- **Service performance remains strong -** with **high home utilisation** (**99.4%** of available homes occupied), **faster turnaround times** (an average of **18 days between tenancies** in the quarter, well below the SPE target of ≤27 days), and **reduced debt levels** (down to **$3.9 million from $6.9 million** at the end of the previous financial year). While there were minor declines in some tenant satisfaction measures this quarter, satisfaction remains strong overall, with all SPE measures above or within the 75–85% target range.
- **Large-scale Projects (LSP) Review** - Te Ararata A and B Neighbourhood Business Cases are being updated in response to LSP review recommendations, with stronger emphasis on reflecting value for money, benefits realisation, alternative delivery models and Kāinga Ora's current operating context. The next stage is a Treasury Gateway Review.
- **Large-scale urban development programmes - Delivery momentum is being maintained** with the Aorere neighbourhood (Mangere LSP) reaching practical completion and new infrastructure contracts and investment cases enabling a new homes.
- **Transformation remains on track** - with work underway to translate Kāinga Ora strategy into a clear, **coordinated delivery plan**. The transformation savings plan, Technology Modernisation, and service and operational improvements — are being brought together into **a single joined up view, managing sequencing and dependencies**. The Technology Modernisation Programme is progressing well, with **procurement nearing completion**, the programme is on track, within budget, and there no material risks identified.
- **Workforce and leadership** - capability continues to strengthen, with critical **role succession planning** in place, **targeted leadership development** supporting transformation, senior digital and operational recruitment nearing completion, a Board-approved **remuneration framework review underway**, and renewed focus on values and inclusion through the Inclusion Strategy.

Note: Performance in this report is being monitored against **2025/26 accountability documents and the 2025/26 SPE BUDGET** unless noted otherwise. Where relevant, our updated full-year Budget Economic and Fiscal Update (BEFU) is included for comparison purposes.

Finances – March year-to-date overview

Earnings Before Interest, Taxes, Depreciation, and Amortisation (EBITDA)

Year-to-date EBITDA is $849 million, which is **$178 million upside to budget**. This result is primarily driven by lower costs, partially offset by lower income. Key drivers are:

- **Total income is $74 million under budget**, primarily driven by lower urban development land sales revenue (timing) and a one-off $40 million prior year Tāmaki land sales reversal adjustment (unbudgeted).
- **Property expenses are $102 million under budget,** reflecting efficiencies from enhanced maintenance strategies and processes. These improvements have continued to deliver savings and are expected to continue as planned initiatives are fully implemented. Lower land cost of sales (consistent with lower land sales) also contributed to the underspend.
- **Non-property costs are $108 million under budget**, driven by lower people costs due to lower than budgeted FTE, contractors and consultants, technology under spend from reduced activity and risk buffer not utilised.
- **Write-offs and net (gain)/loss on sales are $42 million under budget,** primarily due to lower than budgeted demolition volumes and properties demolished to date have had lower net book value (NBVs) than budgeted.

Net deficit before tax

The **year-to-date position is $259 million better than budget**, underpinned by strong EBITDA contribution and:

- **Net interest expenses $63 million lower than budget** due to lower floating interest rates and lower debt drawdowns than budgeted. This favourable upside is expected to continue for the balance of the financial year.
- **Depreciation is $17 million lower** than budget, due to aligning to latest forecast and timing differences in capitalisation.

Full year comparisons of SPE budget with Forecast

- The current full year budget compared to Forecast (April BEFU), is showing a EBITDA upside **of $127 million** and an **improvement of $223 million in net deficit before tax**, supported by **$309 million in gross capital savings**.

Debt

- **Total debt is $728 million below budget**, reflecting lower capital investment and a stronger operating and cash position, reducing the need for debt drawdowns.

2024/25	Financial performance	March year-to-date			Full year		
Mar YTD	($ millions)	Actual	Budget	Variance	Forecast	Budget	Variance
1,826	**Total income**	**1,867**	**1,940**	**(74)**	**2,602**	**2,770**	**(168)**
793	Property expenses	680	782	102	1,019	1,207	188
372	Non-property expenses	287	395	108	449	530	81
132	Write-offs and net (gain)/loss on sales	51	92	42	146	172	26
1,297	**Total expenses**	**1,018**	**1,270**	**252**	**1,614**	**1,909**	**295**
529	**EBITDA**	**849**	**670**	**178**	**988**	**861**	**127**
451	Net interest expenses	492	555	63	672	744	71
372	Depreciation	388	405	17	516	541	24
(295)	**Net surplus/(deficit) before tax**	**(32)**	**(290)**	**259**	**(200)**	**(423)**	**223**
(34)	Tax expense/(benefit)	14	(12)	(26)	5	(29)	(34)
(261)	**Net surplus/(deficit) after tax**	**(45)**	**(278)**	**233**	**(205)**	**(395)**	**189**
1,999	**Total Gross Capital Expenditure**	**686**	**1,256**	**570**	**1,378**	**1,687**	**309**
(126)	Total sales and contributions	(377)	(448)	(71)	(598)	(759)	(161)
1,873	**Net Capital Expenditure**	**309**	**808**	**499**	**780**	**928**	**148**
17,331	**Debt**	**17,983**	**18,711**	**728**	**18,144**	**18,880**	**736**

Capital expenditure and build cost variances

Year-to-date capital expenditure is below budget primarily reflecting timing shifts in delivery and the impact of planned savings initiatives. Key drivers are:

- **New housing supply (redevelopment and acquisitions) is $386 million below budget** due to unit deliveries re-forecasted to the final quarter of 2025/26 and first quarter of 2026/27, and lower acquire new units delivered year-to-date than budgeted. The full year **capital forecast is lower by $132 million** due to additional savings from transformation initiatives.
- **Urban development is tracking $69 million below budget** due to rephasing and lower contracting costs against budget, while currently meeting programme deliverables (SPE).
- **Maintenance and retrofit** spends are lower than budget, attributable to delivery of savings programme and a shift in planned maintenance programme mix.

Build cost per square metre

- The 12-month rolling average build **cost has decreased to $3,159 per square metre**, this **compares to the 2023/24 baseline of $3,473**, reflecting early benefits from transformation initiatives. We expect further reductions as Kāinga Ora continue to optimise housing designs and standards, strengthen procurement practices, and work more effectively with build partners.

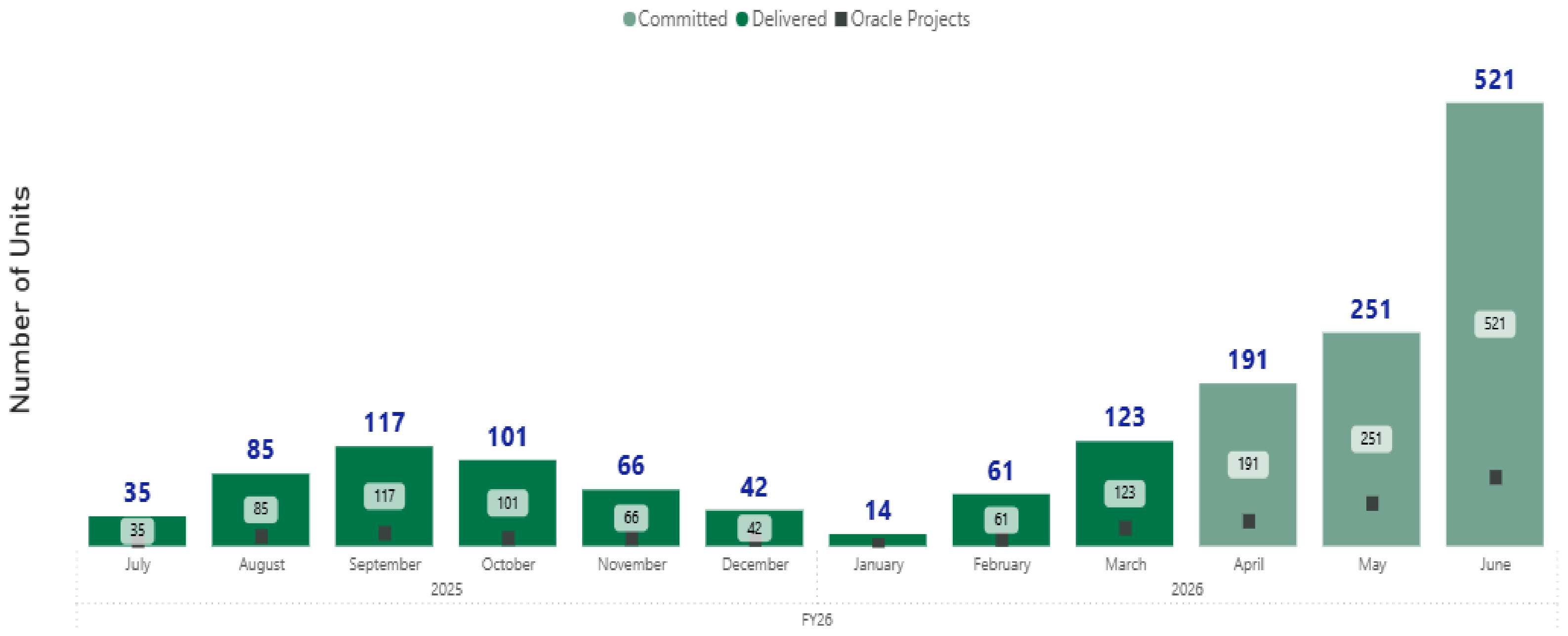
2024/25 Mar YTD	Capital investments ($ millions)	March year-to-date			Full year		
		Actual	Budget	Variance	Forecast	Budget	Difference
1,612	New housing supply	490	876	386	1,022	1,154	132
125	Retrofit programme	60	105	44	83	131	48
97	Other maintenance programmes	61	117	57	88	155	67
155	Urban development	75	145	69	182	227	45
9	Infrastructure assets and projects	(0)	14	14	2	18	16
1,999	**Total gross capital expenditure**	**686**	**1,256**	**570**	**1,378**	**1,687**	**309**
(17)	General and vacant land sales	(357)	(353)	3	(462)	(457)	5
(109)	Urban development sales & contributions	(20)	(95)	(74)	(136)	(301)	(166)
1,873	**Net capital expenditure**	**309**	**808**	**499**	**780**	**928**	**148**

Our housing portfolio

Responding to customer needs by actively reconfiguring and renewing our homes

- **National housing delivery** – Delivery progress remains steady nationally. Year-to-date, **644 gross additional homes have been delivered**, alongside **769 sales**, **195 lease expiries**, **and 259 demolitions** (total decrease of 1,223 homes). Regional capacity and planning constraints continue to affect delivery timing in some areas.
- **Housing portfolio –** As at the end of March 2026, Kāinga Ora's **total housing portfolio stood at 77,609 homes** (including social, supported, and CHP lease homes). This remains consistent with the Reset Plan objective to maintain the portfolio at approximately 78,000 homes, with current forecasts indicating the portfolio will end the financial year just above 78,000 homes.
- **Public Housing Plan (PHP)** - Kāinga Ora remain on track to meet the **PHP Letter of Expectation net growth target of 2,650 homes**, both nationally and across all regions. A total of **2,225 net homes were delivered in 2024/25**, with **339 net additions delivered to date in 2025/26** and **86 further additions required to complete the target**.

Gross home additions by month – actual and forecast 2025/26



Gross home additions

- During the quarter, **198 gross home additions were delivered –** compared to **209 completed last quarte**r, lifting the **year-to-date total gross additional homes to 644** (636 new builds under SPE 2.1 and 8 existing homes).
- Delivery is expected to accelerate in the second half of the year, with current forecasts indicating **full-year delivery of just over 1,700 gross additional homes** – although some residual delivery risks means that hitting this forecast could be challenging. Kāinga Ora are confident of being within the **SPE target zone for gross delivery of 1,600–2,050 homes**.

Continued good progress made across other housing renewal programmes

Retrofit

- In the **March quarter, 99 homes were retrofitted**, compared with **110 in the previous quarter**. This brings the **year-to-date total to 336 retrofitted homes** (68% of the full-year target). Delivery remains on track to complete the remaining 159 homes and achieve the annual target of 495.

Divestment programme

- Year-to-date, **$330 million has been generated from the sale of 754 social homes**, and despite market conditions Kāinga Ora remain confident in meeting the **full-year LOE target of 939 sales**.
- The **average year-to-date sales price is $516,000 per unit** (excluding Dixon St), above the **full-year forecast of $510,000,** driven by higher-value Auckland settlements.
- A robust divestment pipeline is in place, with **137 of the remaining required 185 divestments in a state of market readiness**.
- Regional variance against targets is expected due to local market dynamics and complexities relating to right of first refusal and multi-unit sales. Under-performance in the Central region is expected to be partially offset by exceeding the target in Wellington.
- Land divestments are also tracking ahead of our forecasts, **with 91 of the 144** Board Investment and Delivery Committee-**approved sites either on the market or in market-ready condition**.

Our housing portfolio – Regional Renewals Programme

- **Renewals Programme** - Nationally, Kāinga Ora are **forecasting a shortfall of 42 homes** against the net-nil renewals target set out in the LOE, which includes 337 renewals completed in 2024/25. Some regional renewals have experienced extended consenting timeframes, delaying renewals in **Auckland, the East Coast, Wellington and the West Coast / Tasman**; these delays are expected to be recovered in 2026/27.
- **Auckland planning changes** – Kāinga Ora continue to actively manage delivery risks arising from the Auckland statutory planning changes **(PC120)**, which are outside the organisation's control. To help maintain progress, Kāinga Ora are prioritising the acquisition of newly built homes from the market and working closely with Kāinga Ora construction partners to support flexible working arrangements to maintain momentum.

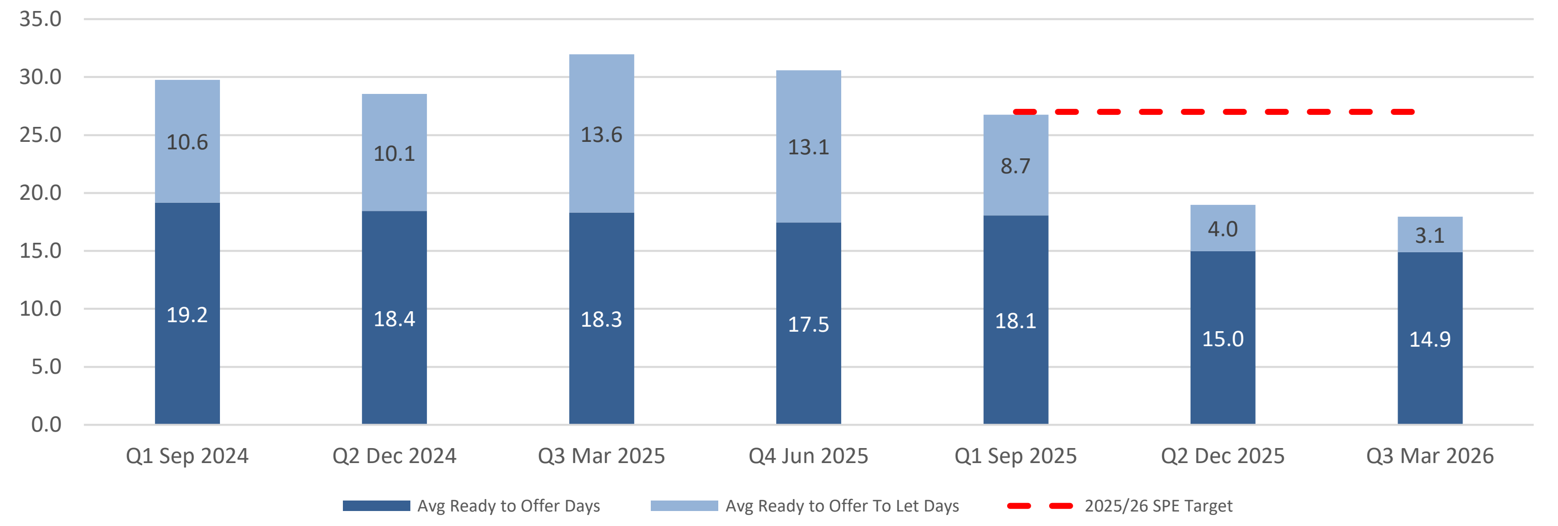
	A	B	C	D	E	F	G	H
HUD Region	LoE Net Target	Renewals Additions	Sales	Demolition	Lease Expiry	Net Renewals Forecast	Net units remaining to achieve targets	Renewals Status
Northland	(19)	64	-56	-9	-4	(5)	14	On track
Auckland	(199)	351	-302	-250	-53	(254)	(55)	At risk
Waikato	41	177	-47	-25	-49	56	15	On track
Bay of Plenty	29	121	-27	-14	-4	76	47	On track
East Coast	19	11	-50	-18	-2	(59)	(78)	At risk
Taranaki	(7)	66	-17	-9	0	40	47	On track
Central	(8)	46	-38	-6	0	2	10	On track
Wellington	97	363	-154	-79	-104	26	(71)	At risk
West Coast Tasman	102	126	-23	-32	-1	70	(32)	At risk
Canterbury	(92)	201	-200	-34	-11	(44)	48	On track
Southern	37	92	-25	-15	-2	50	13	On track
Total	**0**	**1,618**	**-939**	**-491**	**-230**	**(42)**	**(42)**	**At risk**

Our homes

Enhancing the condition and utilisation of Kāinga Ora homes

- Kāinga Ora **maintenance systems continue to perform strongly across all areas**, with recent transformation initiatives delivering efficiencies while sustaining high service levels, including record customer satisfaction (see next page for details).
- Streamlining our maintenance and repair services has reduced **'vacant-to-let' turnaround times — the year-to-date result of 21.3 days is a 33% improvement** compared to last year's full-year result and a **41% improvement** on the 2023/24 result (see details below). The continued improvement reflects enhanced coordination across our teams, enabling maintenance and placement planning to commence as soon as a tenant gives notice—often while the home is still occupied.
- The **percentage of homes occupied throughout the year continues to increase** (see details below). This reflects how many of Kāinga Ora available homes are tenanted at any given time. A high occupancy rate means we are using our housing portfolio efficiently. Kāinga Ora is **currently exceeding the target of 98% by 1.1%** - this overperformance of one percent translates to **approximately 800 – 1,000 additional homes being tenanted**.

Vacant to let time continues to improve



- **Letting time performance**: Letting times improved further this quarter, reducing to **18 days** from **19 days** last quarter—**the best quarter result achieved since tracking began**. The **year-to-date average is 21.3 days**, comfortably within **the SPE target of ≤ 27 days.**
- **Daily utilisation of social homes:** Reduced vacancies continue to support strong utilisation outcomes (see table opposite). During the quarter, **99.4% of social homes in service were let**, up from **99.3% last quarter** and **98.4% at the same time last year**. The **year-to-date utilisation rate of 99.1%** remains comfortably above the SPE target of 98.0%.

Unoccupied homes decreases

	Number of homes	% of total social homes	Quarterly change	12 month change
Being made available to let				
Ready to let	74		3	-498
Under repair	309		42	-45
Coming into service	-		0	-34
Pending decision	37		-60	-104
Total vacant homes	**420**	**0.6%**	**-15**	**-681**
Under refurbishment				
Major repairs	310		-47	16
Retrofit process	183		3	-412
Redevelopment & disposal				
Demolition process	83		-3	-184
Redevelopment process	143		35	-202
Sales & lease expiry	470		-248	364
Total homes not in service	**1,189**	**1.6%**	**-260**	**-418**
Staggered tenancy homes	-		0	-65
Total unoccupied homes	**1,609**	**2.2%**	**-275**	**-1,164**
Total occupied homes	**71,003**			
Total social homes	**72,612**			
CHP lease portfolio	**995**			
Total supported housing*	**4,002**			
Total housing portfolio	**77,609**			

*The supported housing portfolio includes Community Group, and transitional housing. For balancing purposes, it also includes 76 non-social homes.

- **Unoccupied homes declined by 275 over the quarter**, driven primarily by fewer properties being held for repairs or retrofit works, pending a decision, and a reduction in homes awaiting sale or lease expiry.
- **Reductions in unoccupied stock have been sustained over the past 12 months**, with vacant homes **down by 681** and **total unoccupied homes reduced by 1,164**. These improvements have materially lifted overall utilisation rates.

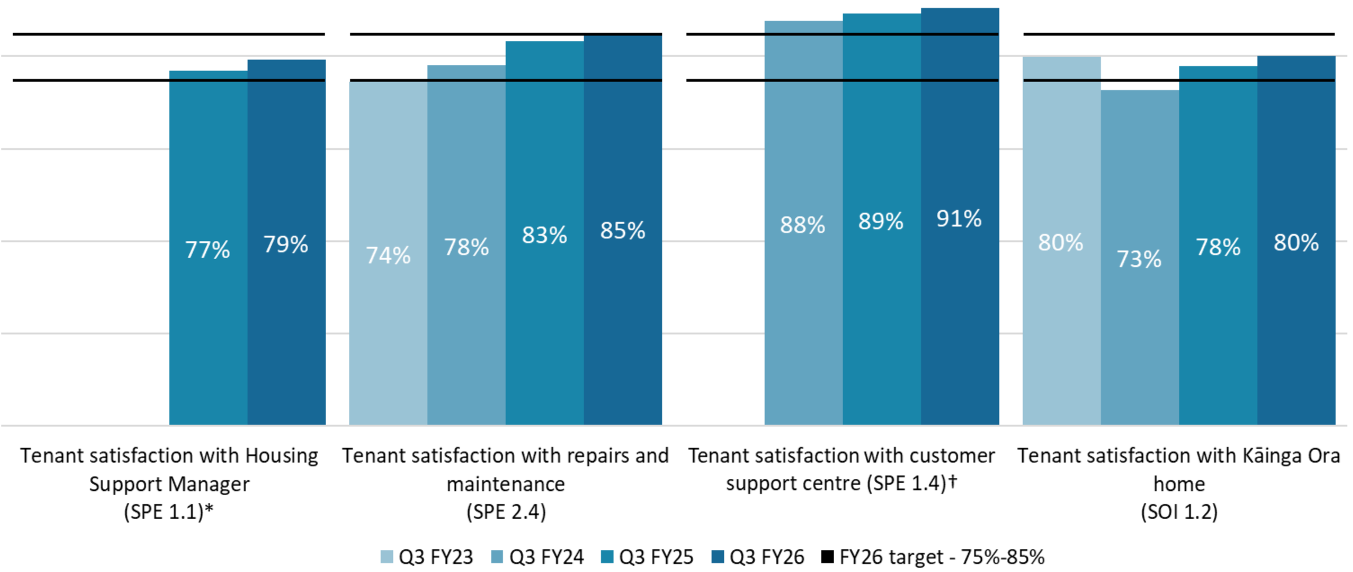
Our services

Adapting to the changing needs of our tenants by refining the tenancy service model

- **Tenant satisfaction remains strong overall**, with all SPE measures above or within the 75–85% target range; while satisfaction with Housing Support Managers and maintenance services declined slightly this quarter, year-to-date results show stability or improvement compared to last year, and **satisfaction with the customer support centre continues to improve**.
- **Serious incident volumes remained stable in the March quarter** and **well below prior-year levels**, with open cases increasing slightly on the previous quarter but lower than the same time last year.
- The **decline in agreed relocations** reflects a strategic shift toward greater use of Residential Tenancies Act tools, with relocations now used selectively where a change in location is jointly agreed as the most appropriate response to ongoing disruptive behaviour.

Tenant satisfaction levels remains consistently high

Tenant satisfaction survey results (YTD year-on-year comparisons)



*The three survey questions underpinning SPE 1.1 were introduced in FY25. As a result, direct year-on-year comparisons with FY23 and FY24, are not available.

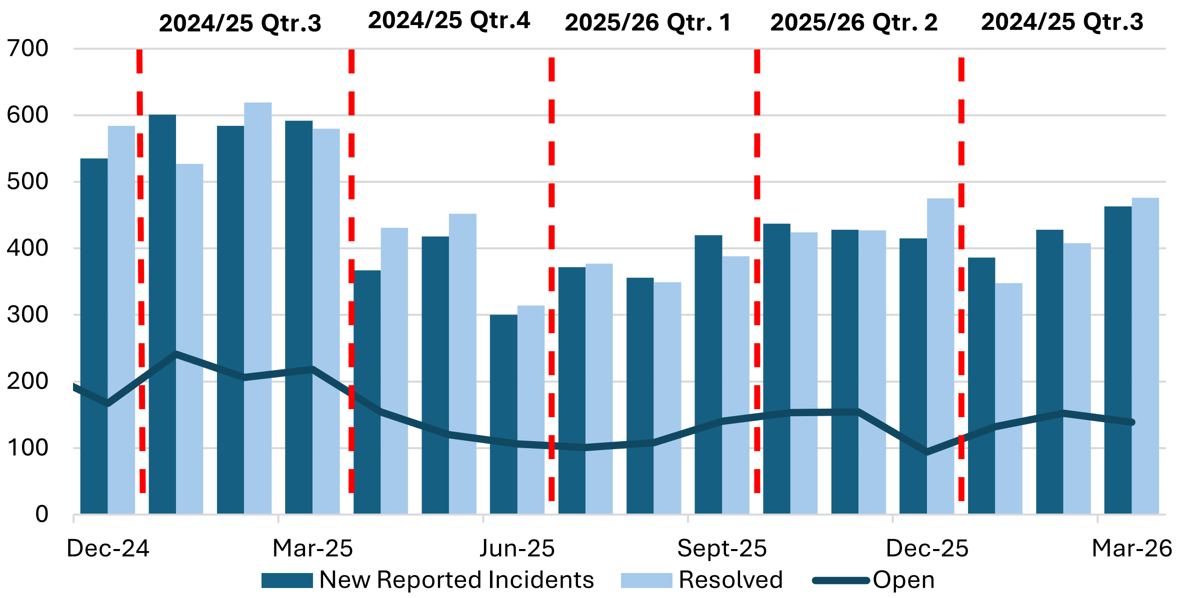
†The Customer Support Centre survey has only been in the current format since FY24.

- **Satisfaction with Housing Support Managers (SPE 1.1**) was **down slightly at 78%** compared to last quarter to **82%**. The **year-to-date result is 78%,** up slightly from 77% this time last year (see chart above).
- **Satisfaction with maintenance services (SPE 2.4)** was **84% for the quarter**, slightly down from 87% last quarter. **The year-to-date result is 85%**, an improvement on 83% at this time last year (see chart above).
- **Tenant satisfaction with the customer support centre (SPE 1.4**) is **91% year-to-date**, up from 89% at the same time last year.
- All tenant SPE **satisfaction measures are either above or within the 75–85% target range.**

Note: Quarter 1 and Quarter 2 satisfaction results have been updated to correct previously misapplied demographic weightings. This resulted in minor changes to the reported results, all of which were within the margin of error.

Serious incidents of disruptive behaviour static for the quarter but down on previous year

Number of reports of serious incidents* of disruptive behaviour



Number of tenants moved for serious incidents* of disruptive behaviour

Reported serious disruptive behaviour

- Reported serious incidents remained static **in the March quarter at 1,277 compared to 1,280** in the December 2025 quarter. However, incident levels continue to remain **lower than the same quarter** of the prior year, which recorded **1,777 incidents**.
- The number of **open serious incidents increased slightly to 139** at the end of the quarter, **up from a low of 94** in the previous quarter but remains significantly below the **218 open cases recorded** at the end of **March 2025**.

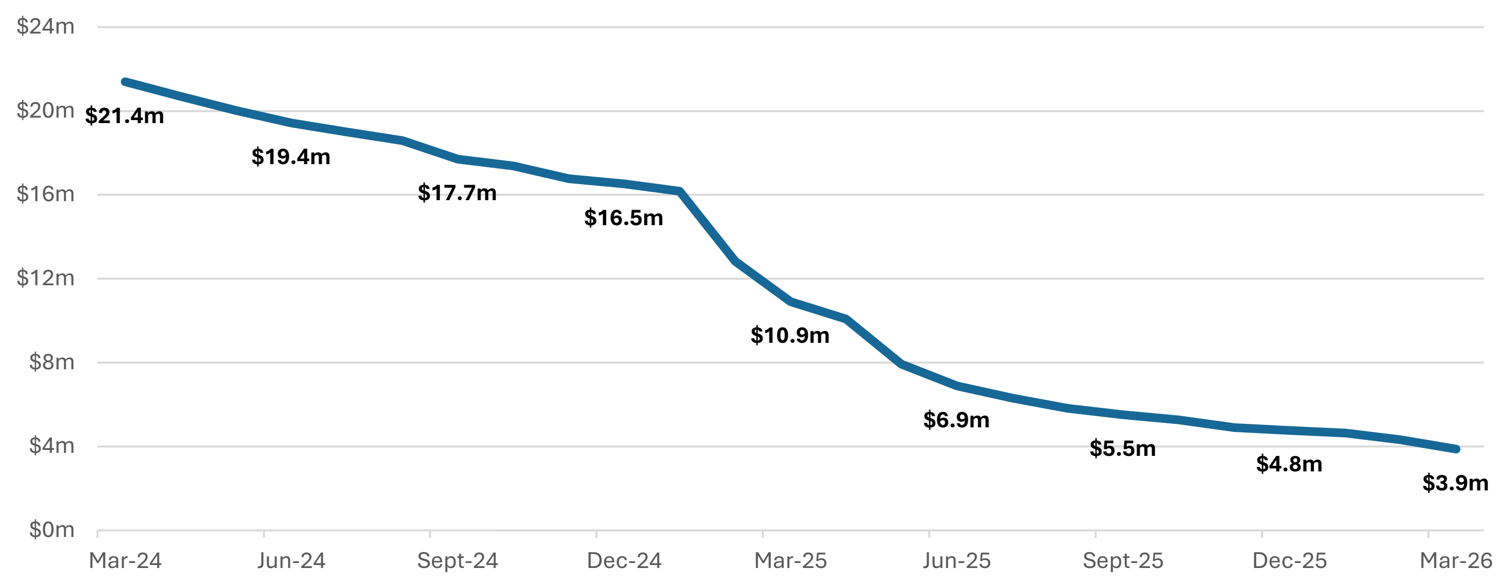
Tenants moved for disruptive behaviour

- In the March quarter, there were **17 agreed relocations**, up one from the 16 in the previous quarter, **but down from 30 in the same quarter last year**. The 2025 monthly average was **8 per month.**

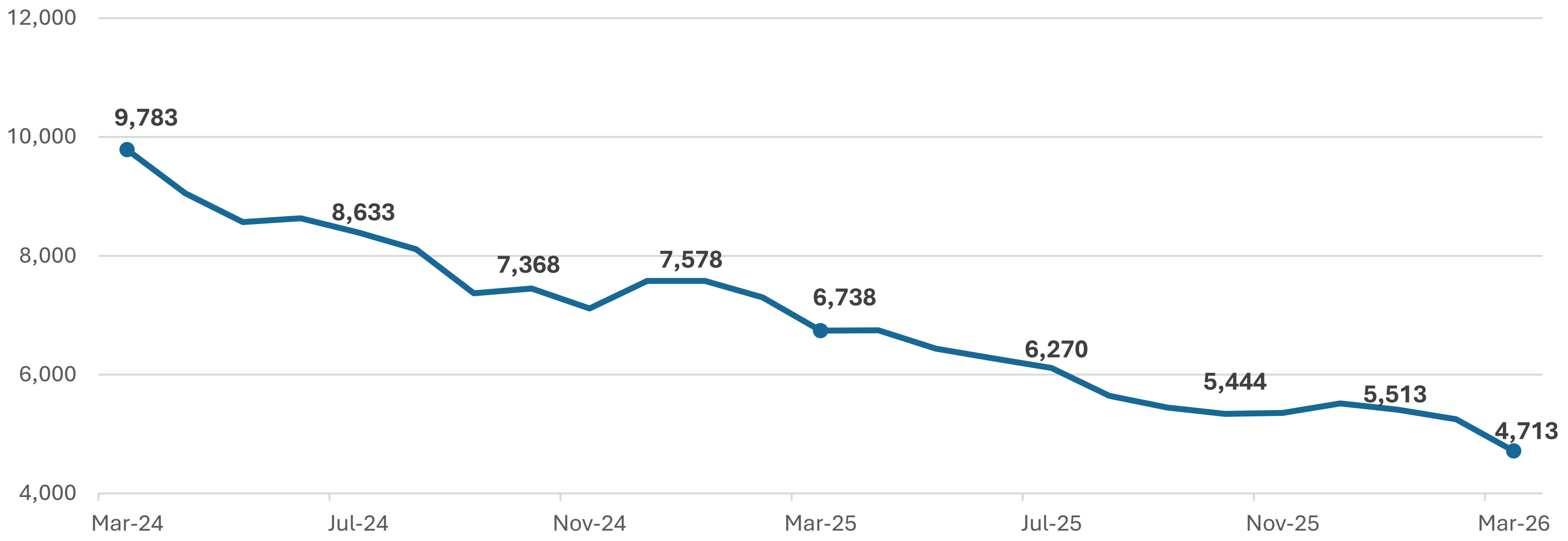
**Serious incidents of tenant behaviour include alleged illegal activity, harassment, intimidation, threatening behaviour, and verbal abuse.*

Our services

Sustained improvement in rental debt levels



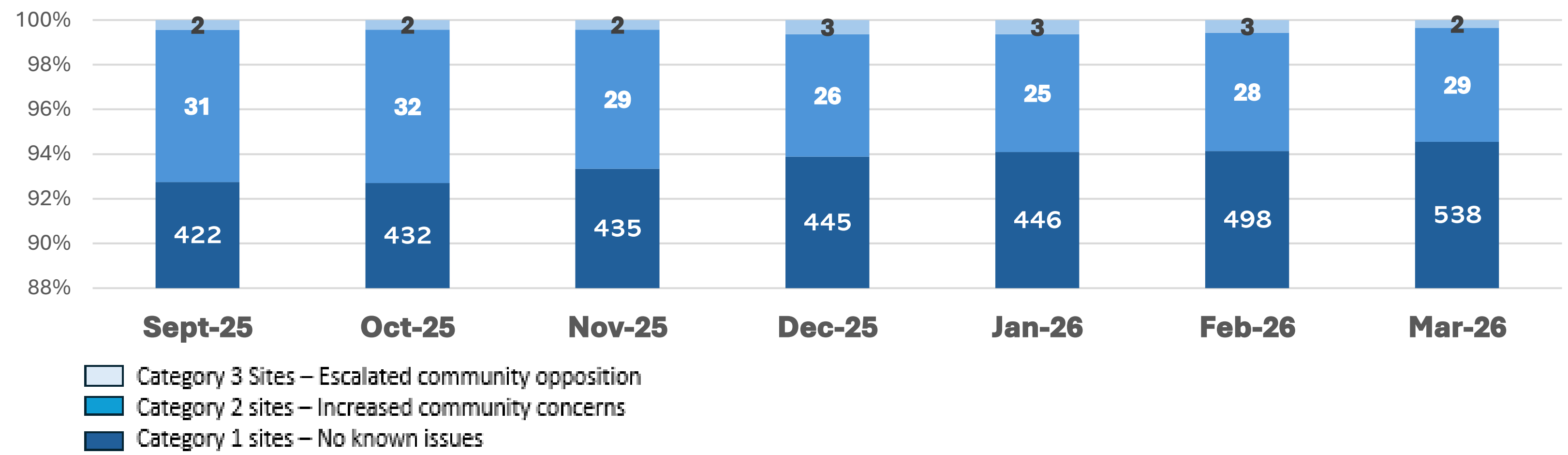
- Tenant **rental debt fell by $900,000** over the quarter to **$3.9 million,** well within the SPE target of ≤ $6.0 million.
- **Rental debt levels have continued to reduce**: over the past year, median debt has fallen **from $646 to $398**, and the **average debt from $1,618 in March 2025 to $823**.



- The number of tenants with outstanding debt fell by 800 over the quarter to **4,713,** representing **2,025 fewer tenants in rent arrears** compared to the same period last year.

Community engagement

Proactively engaging with our communities



- Early quarter community **engagement activity focused on tenant and community wellbeing**, in response to **weather events affecting Waikato and East North Island communities.** Local teams provided timely, practical responses, supporting community stability.
- A majority of public housing projects progressed over the last quarter without identified community concerns (Category 1) as shown by the chart above. **Category 2 (increased community concerns) remains relatively stable i**n the high-20s to low-30s range, while **Category 3 (escalated community opposition) stays consistently very low** (around 2–3 sites), suggesting that strong opposition is limited and not increasing over time.
- A small number of **Category 3 sites (notably Wellington Street, Pukekohe and Examiner Street, Nelson**) continued to attract higher scrutiny. Active engagement with local boards, school communities, and neighbours contributed to de-escalation of community concerns and improved dialogue.
- Overall, **engagement increased in reach and participation over the quarter** and proactive engagement from Kāinga Ora engagement teams, partnerships, and communications have supported improved sentiment and trust in several locations. The results of this approach are shown by community concerns becoming more specific and manageable, rather than widespread or reactive.

Our urban development and delivery activity

Meeting large-scale urban development commitments while delivering significant savings

LSP Review

- As Kāinga Ora begins responding to the recommendations in the LSP review, work is continuing to update the **Te Ararata A and B Neighbourhood Business Cases** in anticipation of them being considered by Ministers. Updates have included an increased focus on value for money, benefits realisation, new delivery models and the new Kāinga Ora operating context. A Treasury Gateway review is scheduled for June.

Land sales

- **Challenging market conditions remain for urban centres**, as the residential housing market stays plateaued. The focus remains on achieving optimal revenue whilst delivering the Masterplan density to ensure effective use of infrastructure investments. Year-to-date, 15 superlots have been sold to developer partners across the LSPs and a further 3 superlots have been contracted. In Te Kauwhata 42 lots have been sold and a further 119 lots have been contracted. Kāinga Ora is proactively managing contracts with build partners to optimise timing of revenue recognition.

Maintaining momentum across the programme

- The **Aorere neighbourhood** in the Mangere LSP has reached practical completion with **all civil and infrastructure work completed across five stages**. This build ready land will provide **431 new homes** once fully enabled and house construction has been completed.
- **Two infrastructure works contracts have been signed in the Tāmaki LSP**. The first, Glen Innes North- West (GINW)- Stage 2, provides local infrastructure and utilities upgrades to support TRC superlot development is worth approximately $2 million. The second, Tripoli Road Wastewater, provides neighbourhood level wastewater upgrades to support the Point England Panmure North (PEPN) neighbourhood and is worth approximately $7 million.
- **Several investment cases for the Tāmaki LSP were endorsed** by the Executive Infrastructure Governance group which is made up of Kāinga Ora, Auckland Council and their CCOs. This allows us to progress a number of Project Funding Agreements and supports Auckland Council's LTP27. Combined, these investments are around $139m and will ultimately enable over 4,600 new homes in Tamaki.

Kāinga Ora Land Programme

- **Ferncliffe Farm was listed for sale** with offers closing mid April - there has been good interest to date from potential buyers. Quaifes Road in Christchurch settled in March - Ngāi Tahu Property Development Holdings will develop this land in partnership with Paenga Kupenga and Taumutu Rūnanga Limited.

LSP reporting refresh

- In response to the Minister’s request, work is currently underway to develop more detailed project-level information on typology delivery expectations and status.

Kallu Crescent, Roskill South

Our organisation

A reliably high-performing organisation

- **We are moving out of the reset phase and into the next stage of transformation across Kāinga Ora**. The transformation savings plan has put key foundations in place, which means Kāinga Ora are now better positioned to improve how we operate and to focus on longer-term planning.

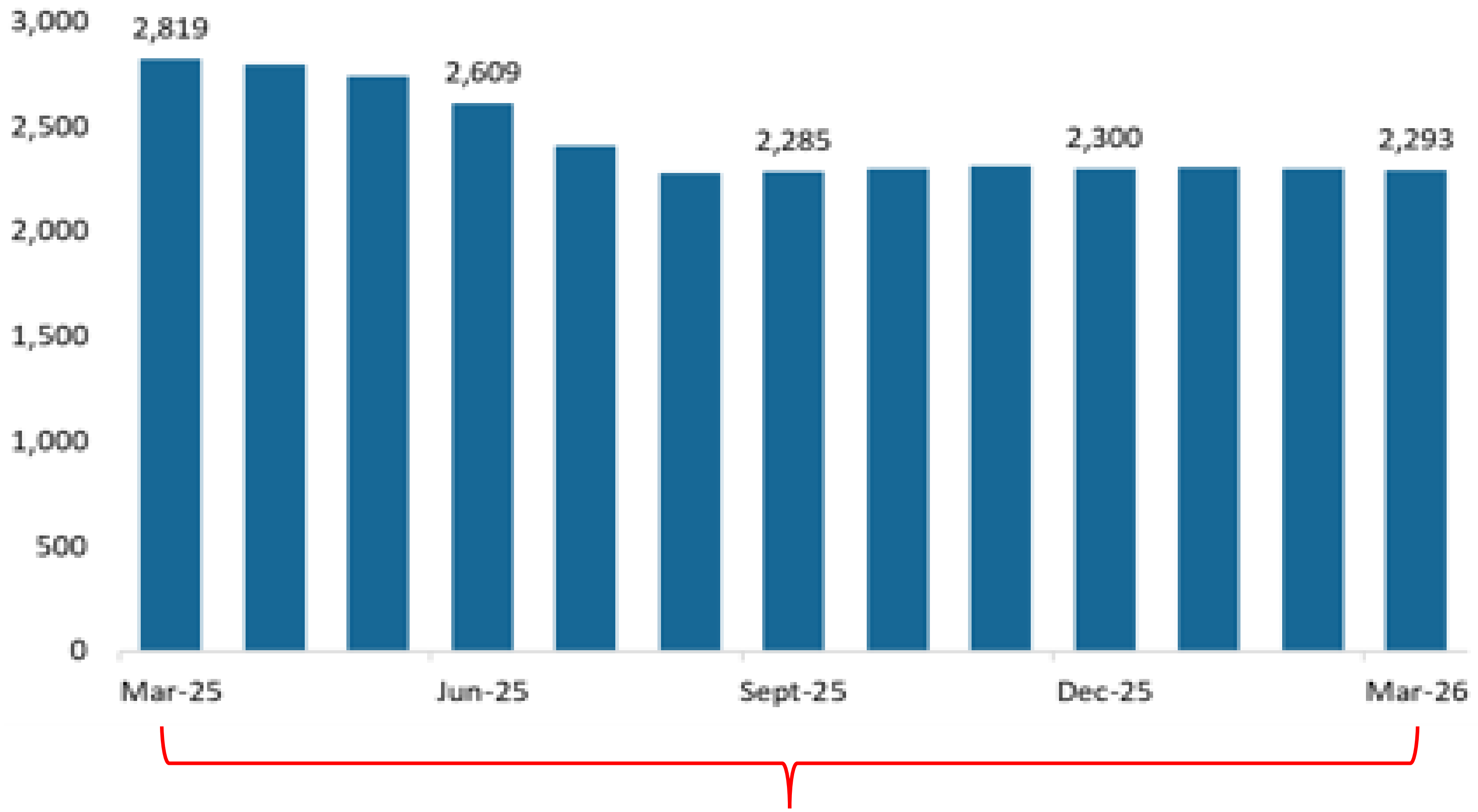
Transformation update

- Following the reset phase, **Kāinga Ora is moving into organisation-wide transformation**. Work is underway to develop the Kāinga Ora Strategy into a clear delivery plan that explains what will change, when it will happen, and how progress will be tracked.
- **This work brings together all major initiatives** - including the Kāinga Ora transformation savings plan, Technology Modernisation, and service and operational improvements - into a single, joined up view.
- These priorities are **shaping a coordinated organisational wide roadmap** that manages dependencies, sequences activity, and enables change to be delivered alongside day-to-day operations. Together, this provides a clear line of sight from strategy to delivery, ensuring change is focused, coordinated, and achievable.
- **Technology Modernisation Programme** - Procurement for a Solution Integrator and Business Integrator is progressing well, and Kāinga Ora expect to announce the preferred provider shortly. All Requests for Proposals have been released to the market, except for the Enterprise Resource Planning (ERP) implementation partner, which will be issued later. The programme remains on track for time and scope, within approved budget, and with no material risks or issues identified.
- **Strengthening capability and leadership -** The new Talent and Succession Framework is in place, with Phase 1 completed and succession plans established for critical roles. Leadership development in Quarter 3 has focused on building the skills required to lead through transformation.
- **Driving performance, accountability, and operating clarity -** The Board has approved a review of the remuneration framework, and work is continuing to shape the proposed approach.
- **Building delivery capability -** We are in the final stages of recruiting senior roles in the Digital IT area to ensure Kāinga Ora have the capability needed to deliver the Technology Modernisation programme. Similar leadership changes are underway in Customer Operations and Finance to support successful delivery over the coming years.
- **Enabling an inspiring, inclusive culture -** Work is underway to re-engage Kāinga Ora people with organisational values. The new Inclusion Strategy and supporting metrics have been endorsed by the Executive Leadership Team and are scheduled for launch in April.

Managing our workforce while maintaining front line service levels

- Kāinga Ora remain on track in managing workforce levels through a disciplined recruitment approach, with strong oversight of frontline delivery roles to ensure service levels are maintained.
- Total FTEs at the end of **March 2026 was 2,293 FTEs**, this compares to 2,819 FTEs at the same time last year - representing a **526 FTE reduction**.

Kāinga Ora FTEs profile since March 2025



A reduction of 526 (19%) FTEs since March 2025.

Appendix 1

Statement of performance expectations (SPE) measure results

as at 31 March 2026

	Delivering cost-effective tenancy services that meet the needs of our tenants	2025/26 target	Year to date result	Year end forecast	
1.1	Tenant satisfaction with Housing Support Manager	*75% - 85%*	**79%**	*80%*	On track
1.2	Percentage of new debtors with a repayment arrangement in place within 21 days of rent overdue	*≥85%*	**89%**	*90%*	On track
1.3	Tenant rent debt will be below the target amount by 30 June 2026	*≤$6.0 million*	**$3.9m**	*$3.3m*	On track
1.4	Tenant satisfaction with Customer Support Centre interactions	*75% - 85%*	**91%**	*90%*	On track
1.5	Percentage of reported incidents of disruptive behaviour where a decision on appropriate action occurs within 15 working days	*≥90%*	**99%**	*99%*	On track
1.6	Percentage of successful applications to the Tenancy Tribunal for tenancy termination due to disruptive behaviour	*≥85%*	**90%**	*90%*	On track

	Renewing and maintaining our homes	2025/26 target	Year to date result	Year end forecast	
2.1	Number of new and retrofitted homes: ...New builds ...Retrofits	*2,075 – 2,575* *1,600 – 2,050* *475 – 525*	**972** 636 336	**2,196** **1,701** 495	At risk
2.2	Percentage of social homes in service* that are let (daily utilisation)	*98.0%*	**99.2%**	*99.2%*	On track
2.3	Average number of days from a social home becoming vacant to being let again**	*≤ 27*	**21.3 days**	*22 days*	On track
2.4	Tenant satisfaction with maintenance based on the equally weighted average score of the following tenant survey maintenance measures: – satisfaction with quality – satisfaction with time taken to complete work – satisfaction that contractors treated you and family with respect	*75% - 85%*	**85%**	*88%*	On track

**Homes in service exclude homes undergoing major repairs/retrofits, in the redevelopment process, being sold, nearing lease expiry, or awaiting demolition.*

***Actual results reporting will include a breakdown of the time taken from when a home becomes vacant to when it is ready to be let (maintenance stage) and from when it is ready to be let to when it is tenanted (placement stage).*

	Delivering our large-scale redevelopment projects	2025/26 target	Year to date result	Year end forecast	
3.1	Hectares of build-ready land redeveloped by Kāinga Ora	*≥18 hectares*	**21 ha**	*35.3*	On track
3.2	Number of new homes that can be constructed on build-ready land that is redeveloped and contracted*** by Kāinga Ora	*≥787*	**486**	*1,011*	On track

**** Land contracted refers to build-ready land either sold to the market (under a signed unconditional contract or licence to occupy) or ready for social housing construction.*

	Supporting home-ownership initiatives for New Zealanders	2025/26 target	Year to date result	Year end forecast	
4.1	Number of First Home Loan mortgages underwritten	*Demand driven*	**3,033**	*4,113*	Demand-driven

	Financial Performance	2025/26 target	Year to date result	Year end forecast	
FIN_1.1	Net operating costs of managing our housing portfolio per housing unit (excludes depreciation) - Tenancy services - Renewing and maintaining homes	*$18,523* *$,3,006* *$15,517*	**Reported annually**	***$16,635*** *$2,698* *$13,937*	On track
FIN_1.2	EBITDA as a percentage of total income	*37%*	**48%**	**44%**	On track
FIN_1.3	Build cost per square metre	*$2,980 excluding GST*	**$3,159**	**$2,900**	On track
FIN_1.4	Meet or exceed the key financial objectives as set out in the Reset Plan. This includes: - Meet or exceed annual operating deficit - At or below total expenses - Within debt limit	*Achieve* *Achieve* *Achieve*	**Reported annually**	**On track to meet**	On track

Key for results

- **On track** – likely to meet target
- **At risk** – Not on target year-to-date or full year forecast is uncertain.
- **Off track** - Mitigations in place for identified risks but meeting year-end target will be very challenging.
- **Demand-driven:** No fixed target due to reliance on market conditions and demand.

Statement of financial performance

2024/25 Mar YTD	Statement of financial performance ($ million)	March year-to-date Actual	March year-to-date Budget	March year-to-date Variance	Full year Forecast	Full year Budget	Full year Variance
468	Rent - tenant	491	506	(14)	655	677	(22)
1,175	Rent - crown & other	1,316	1,296	21	1,765	1,732	32
51	Land sales	5	80	(75)	113	254	(141)
58	Vested council infrastructure income	15	14	1	23	48	(24)
74	Appropriations & other Income	39	44	(6)	46	59	(13)
1,826	**Total income**	**1,867**	**1,940**	**(74)**	**2,602**	**2,770**	**(168)**
309	Repairs & maintenance	244	293	50	335	387	52
53	Retrofit & other	33	39	6	43	50	8
207	Council rates	239	236	(3)	322	315	(7)
43	Cost of sales - land	45	80	35	153	252	100
58	Vested council infrastructure cost	15	14	(1)	23	48	24
18	Demolitions	18	26	8	30	33	3
106	All other property expenses	86	93	7	114	123	9
793	**Total property expenses**	**680**	**782**	**102**	**1,019**	**1,207**	**188**
268	People expenses	202	213	12	269	287	18
29	Consultants & contractors	24	29	5	38	40	2
38	Technology	30	42	12	46	56	9
-	Central risk buffer	-	74	74	50	98	48
37	Other non-property expenses	32	37	6	46	50	4
372	**Total non-property expenses**	**287**	**395**	**108**	**449**	**530**	**81**
56	Net book value writedowns	33	72	39	58	90	32
(2)	Property under development impairments	2	-	(2)	57	55	(2)
73	Redvelopment project WIP writedowns	24	20	(4)	42	27	(15)
126	**Total write offs**	**60**	**92**	**33**	**157**	**172**	**15**
6	Net (gain)/loss on sales	(9)	-	9	(11)	-	11
1,297	**Total expenses**	**1,018**	**1,270**	**252**	**1,614**	**1,909**	**295**
529	**EBITDA**	**849**	**670**	**178**	**988**	**861**	**127**
451	Net interest expense	492	555	63	672	744	71
372	Depreciation & amortisation	388	405	17	516	541	24
(295)	**Net surplus/(deficit) before tax**	**(32)**	**(290)**	**259**	**(200)**	**(423)**	**223**
(34)	Tax expense/(benefit)	14	(12)	(26)	5	(29)	(34)
(261)	**Net surplus/(deficit) after tax**	**(45)**	**(278)**	**233**	**(205)**	**(395)**	**189**

Appendix 2

Financial statements

Capital investment

2024/25 Mar YTD	Capital investment ($ million)	March year-to-date Actual	March year-to-date Budget	March year-to-date Variance	Full year Forecast	Full year Budget	Full year Variance
782	Public and Supported Housing redevelopments	246	514	268	551	663	111
812	Public and Supported Housing Acquire new	222	339	118	440	442	2
1	Capitalised Overhead	22	22	0	30	30	(0)
1,595	**Home Builds**	**490**	**876**	**386**	**1,021**	**1,134**	**113**
13	Acquire Existing	(0)	-	0	1	20	19
3	Strategic Land Purchases	0	-	(0)	-	-	-
1,612	**Total gross housing supply expenditure**	**490**	**876**	**386**	**1,022**	**1,154**	**132**
(3)	Shovel ready	(1)	(10)	(8)	(2)	(15)	(13)
0	Land purchase fund ($2b over 10 years)	16	1	(16)	17	1	(16)
93	Urban development land (state & market)	28	104	76	56	167	111
26	Urban development Tamaki	31	46	16	45	70	25
40	Urban development greenfields & complex	2	3	1	66	4	(62)
155	**Urban development gross expenditure**	**75**	**145**	**69**	**182**	**227**	**45**
97	Capitalised Repairs and Maintenance	61	117	57	88	155	67
125	Capitalised retrofit	60	105	44	83	131	48
9	Business Infrastructure	(0)	14	14	2	18	16
1,999	**Total gross capital expenditure**	**686**	**1,256**	**570**	**1,378**	**1,687**	**309**
(11)	Property sales	(337)	(353)	(16)	(432)	(457)	(25)
(6)	Vacant Land sales	(19)	(0)	19	(30)	(0)	30
(17)	**Property and Land sales**	**(357)**	**(353)**	**3**	**(462)**	**(457)**	**5**
(15)	UDD Land Sales LSP	(17)	(32)	(15)	(84)	(132)	(48)
(23)	UDD Tamaki Sales	39	(30)	(68)	24	(40)	(64)
(2)	UDD Land Sales KOLP	(10)	-	10	(10)	(55)	(45)
(10)	UDD Greenfields & Complex Sales	(16)	(19)	(2)	(43)	(27)	16
(51)	**Urban Development sales - Total**	**(5)**	**(80)**	**(75)**	**(113)**	**(254)**	**(141)**
(0)	CCO Contribution - UDD LSP	(15)	-	15	(15)	-	15
-	CCO Contribution - UDD Tamaki	-	-	-	-	-	-
(0)	**CCO Contribution - Total**	**(15)**	**-**	**15**	**(15)**	**-**	**15**
(57)	UDD Vested Infrastructure Grants - LSP	-	(13)	(13)	(8)	(38)	(30)
-	UDD Vested Infrastructure Grants - Tamaki	-	(2)	(2)	(0)	(9)	(9)
-	**Vested Infrastructure Grants - Total**	**-**	**-**	**-**	**-**	**-**	**-**
(109)	**Urban Development sales/contributions - Total**	**(20)**	**(95)**	**(74)**	**(136)**	**(301)**	**(166)**
(126)	**Total capital revenues**	**(377)**	**(448)**	**(71)**	**(598)**	**(759)**	**(161)**
1,873	**Total net capital expenditure**	**309**	**808**	**499**	**780**	**928**	**148**

Appendix 2

Financial statements

Appendix 2

Financial statements

Statement of financial position

Statement of financial position ($ million)	March year-to-date Actual	Budget	Variance	Full year Forecast	Budget	Variance
Cash and financial investments	519	250	270	202	351	(148)
Prepayments & receivables	503	609	(106)	589	614	(24)
Properties held for sale	161	34	127	341	34	307
Properties under development	324	725	(401)	370	671	(301)
Mortgage advances	9	18	(9)	9	18	(9)
Interest rate derivative assets	20	0	20	5	0	4
Other assets	12	17	(5)	12	16	(4)
Property, plant & equipment	46,458	49,651	(3,193)	45,955	52,664	(6,709)
Total assets	**48,006**	**51,304**	**(3,298)**	**47,483**	**54,367**	**(6,884)**
Accounts payable & other liabilities	349	463	(114)	575	462	113
Income tax payable	55	6	49	20	10	11
Provisions	8	53	(45)	48	53	(5)
Mortgage insurance scheme	84	86	(3)	88	91	(3)
Interest rate derivative liabilities	17	31	(14)	25	31	(5)
Crown borrowings	12,248	12,973	(724)	12,400	13,140	(740)
Market borrowings	5,735	5,738	(3)	5,744	5,740	4
Deferred tax liability	1,212	1,437	(225)	1,264	1,494	(230)
Total liabilities	**19,708**	**20,787**	**(1,079)**	**20,165**	**21,021**	**(856)**
Net assets	**28,298**	**30,517**	**(2,218)**	**27,318**	**33,346**	**(6,028)**
Equity attributable to the Crown	4,481	4,494	(13)	4,507	4,498	9
Retained earnings	155	(245)	400	4	(294)	297
Revaluation reserve	23,655	26,285	(2,630)	22,820	29,158	(6,338)
Hedging reserve	8	(17)	25	(13)	(17)	4
Total equity	**28,298**	**30,517**	**(2,218)**	**27,318**	**33,346**	**(6,028)**

Appendix 2

Financial statements

Statement of cash flows

Statement of cash flows	March year-to-date			Full year		
($ million)	Actual	Budget	Variance	Forecast	Budget	Variance
Cash flows from/(used in) operating activities						
Rent receipts – Crown income-related rent subsidies	1,263	1,205	58	1,603	1,612	(9)
Rent receipts – tenant	508	502	6	573	672	(99)
Crown appropriation revenue	41	56	(15)	59	75	(16)
Interest received	12	4	8	14	5	9
Income tax (paid)/received	-	(25)	25	(34)	(25)	(10)
Other receipts	163	93	70	230	124	107
Payments to suppliers and employees	(1,090)	(1,127)	37	(1,395)	(1,513)	118
Net cash flows from/(used in) core operating activities	**897**	**709**	**188**	**1,050**	**951**	**100**
Sales of developments	22	52	(30)	157	274	(117)
Land development costs	(64)	(98)	34	(259)	(227)	(32)
Net cash flows from/(used in) operating activities	**855**	**663**	**192**	**948**	**997**	**(49)**
Cash flows from/(used in) investing activities						
Net short-term investments (made)/realised	22	-	22	(91)	-	(91)
Sale of rental properties and other property, plant and equipment	360	271	89	462	457	5
Mortgage and other lending repayments/(advances)	5	-	5	-	-	-
Upgrade of rental property assets	(121)	(153)	33	(171)	(287)	116
Acquisition of rental property assets	(482)	(633)	150	(937)	(1,154)	217
Purchase of other property, plant and equipment	-	(9)	9	(3)	(18)	15
Net cash flows from/(used in) investing activities	**(216)**	**(524)**	**308**	**(741)**	**(1,002)**	**261**
Cash flows from/(used in) financing activities						
Net capital contributions (to)/from the Crown	13	-	13	39	5	34
Crown debt drawdown/(repaid)	-	356	(356)	153	687	(535)
Market notes issued/(repaid)	-	-	-	3	-	3
Interest paid	(536)	(553)	17	(672)	(741)	69
Net cash flows from/(used in) financing activities	**(523)**	**(196)**	**(327)**	**(477)**	**(49)**	**(428)**
Net cash flows	**117**	**(57)**	**174**	**(270)**	**(54)**	**(216)**
Opening cash and cash equivalents	320	404	(84)	320	404	(84)
Closing cash and cash equivalents	**437**	**347**	**90**	**50**	**351**	**(301)**