

Kāinga Ora Urban Development Strategy

Date: October 2022
Status: Kāinga Ora Board approved



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1. PLAN ON A PAGE

Kāinga Ora 2030 vision

Building better, brighter homes, communities and lives
He oranga kāinga, he oranga hapori, he oranga tangata

Te Rautaki Māori Vision

He mana i te whenua, he kura kāinga, he whare haumarū, he puna ora, hei oranga tangata.
With pride of place, with a space to call home, with a protective house, let the spring of life prosper and bring wellbeing to all.

Our principles

- **We honour Te Tiriti o Waitangi:** by partnering within a He Waka Hourua framework and by having early and meaningful engagement with Māori and offering Māori opportunities to participate.
- **We complement the private sector:** by delivering urban development outcomes that the market cannot, or will not, deliver alone.
- **We create places people want to live in:** shaping urban form and design and contributing to thriving and inclusive communities.
- **We are a market-leader:** innovating to reduce cost and improve outcomes at every stage of the urban development process.

- **We protect and enhance the environment:** by regenerating natural systems and through our development activity
- **We actively mitigate the impacts of climate change:** our urban development investment decisions reduce risks arising from, and provide greater resilience to, the effects of climate change. We will take a proactive leadership role in accelerating low carbon urban development in Aotearoa, while supporting the sector in upskilling and transitioning towards low carbon decision making and design.
- **We take a place-based, community led approach:** our work is place-based to ensure the right response is brought to the right place at the right time by engaging authentically and extensively with wider communities.

Our outcomes and objectives

- **Thriving communities** – People live in well designed and well-functioning urban environments with access to jobs, public transport and social services
- **Customer well-being** – People live in communities with strong human connections, high levels of social capital and social and cultural amenities
- **Housing access** – increased housing supply in more places at lower cost, offering a greater variety of housing typologies and tenures
- **Enabling Māori aspirations** – Māori are leading, delivering and contributing to housing solutions and urban development projects
- **Environmental wellbeing** – Investment and design choices lower the emissions profile of a development and minimise impacts on biodiversity and water quality
- **System transformation** – Our development activity strengthens the overall development system including growing the capability and capacity of the system

Our Strategic Priorities

Strategic Priority 1

Grow housing choices and supply by increasing the supply of build-ready land

- improving affordability by increasing the supply of housing, enabling a range of housing typologies and tenure choices
- increasing the supply of build-ready land and utilising land efficiently through intensification of development.
- having a strong focus on supporting and enabling affordable housing options for Māori.

Strategic Priority 2

Support Māori aspirations for urban development and build development capacity and capability

- looking for opportunities to facilitate and deliver housing and urban development projects and shape the system in a way that is effective for Māori
- recognising that Māori have aspirations to develop their own whenua outside of main urban areas by supporting Māori with advice and information alongside other agencies.

Strategic Priority 3

Provide certainty and stability of land and housing supply through market cycles

- providing a substantial pipeline of development projects that is not driven solely by property cycles.
- helping build industry capacity and capability, encourage innovation, and reduce development costs.
- reducing the speculative nature of the housing market, so the industry is able to respond rapidly to meet demand.

Strategic Priority 4

Use our statutory powers and our leverage to overcome barriers to high quality development

- unlocking development in locations where the potential housing yields are high and traditional approaches won't achieve our outcomes.
- focusing on locations where there is significant Crown investment, e.g. in rapid transit and public housing
- working alongside our partners to determine how our statutory powers can be used to achieve common objectives

2. Kāinga Ora: our role and function

Kāinga Ora – Homes and Communities and Te Tūāpapa Kura Kāinga - Ministry of Housing and Urban Development (HUD) have complementary roles in the government housing landscape. The Ministry has a leadership role in the housing and urban development system; it advises the Government on strategic direction, provides policy advice, and monitors the government housing system, including Kāinga Ora.

Kāinga Ora was established in October 2019, through the Kāinga Ora – Homes and Communities Act 2019, with an express mandate to be both a world-class public landlord and:

- to **initiate, facilitate, or undertake** any urban development, whether on its own account, in partnership, or on behalf of other persons
- to provide a **leadership or co-ordination** role in relation to urban development
- to understand, support, and enable the **aspirations of communities** in relation to urban development
- to understand, support, and enable the **aspirations of Māori** in relation to urban development.

In addition, the Urban Development Act 2020 (UDA) establishes Kāinga Ora as a national urban development authority with access to urban development powers, including:

- land acquisition and assembly powers, additional to the ability of Kāinga Ora to acquire land using the same legal powers as a natural person
- a toolkit of powers relating to land use planning, consenting, infrastructure provision and reserves that Kāinga Ora and its development partners can access when undertaking specified development projects (SDPs).

When Kāinga Ora performs its statutory functions, it must act consistently with our operating principles in section 14 of the Kāinga Ora – Homes and Communities Act 2019.

Kāinga Ora urban development activities have grown significantly over time, starting with the Hobsonville Point development in 2005, then extending into the current large-scale redevelopment projects in Auckland and Porirua, and greenfield developments at Te Kauwhata and Tauriko.

With the establishment of Kāinga Ora in 2019, the legislative mandate demanded a strategic approach to urban development activity. Kāinga Ora has since become a critical participant in joint Government and Council urban growth partnerships and the place-based development programme led out of HUD.

The Government Policy Statement on Housing and Urban Development (GPS-HUD) provides a high-level policy framework and explicit expectations for Kāinga Ora¹. We are required, under our legislation, to give effect to the GPS-HUD. We get further direction through our suite of accountability documents, including our Statement of Intent and Statement of Performance Expectations. We are also guided by an annual Letter of Expectations from the Minister of Housing.

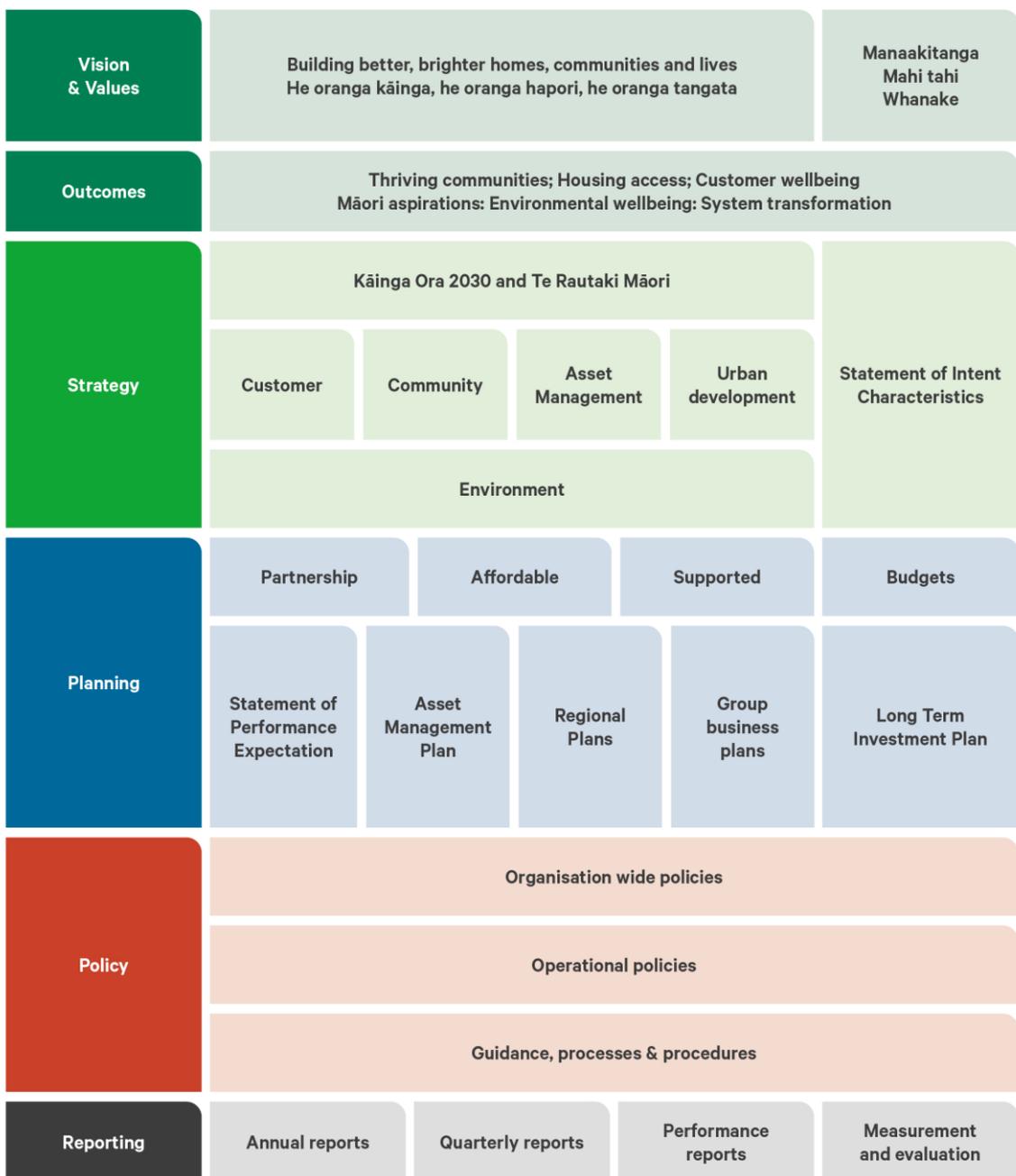
This strategy sets out a clear set of objectives and actions to take our urban development function forward via a coherent strategic approach for the next 5-8 years.

¹ <https://www.hud.govt.nz/urban-development/government-policy-statement-gps/> - (2021)

3. Our strategic framework

This Urban Development Strategy is one of four functional strategies sitting within the Kāinga Ora strategic framework. It provides a clear decision-making framework to guide us in making evidence-based choices about the nature and type of urban development interventions we might use in particular circumstances to achieve desired outcomes.

The Urban Development Strategy provides a framework in which to understand how our strategic urban development priorities will contribute towards agreed objectives and the Kāinga Ora outcomes and vision set out in our Kāinga Ora 2030 Strategy and the Te Rautaki Māori o Kāinga Ora 2021-2026: Kāinga Ora Māori Strategy 2021-2026 (Te Rautaki Māori).



4. Strategy outcomes and objectives

Kāinga Ora 2030 and Te Rautaki Māori are our two primary organisational strategies. They sit in parallel, like the waka hourua – a double-hull canoe. Both hulls sit alongside each other to enable the waka to launch. Each strategy has a role and brings value to the function of the relationship. The Urban Development Strategy builds on this principle and draws on the focus areas of both strategies.

The vision for Kāinga Ora 2030 is:

**Building better, brighter homes,
communities and lives.**
*He oranga Kāinga, he oranga hapori, he
oranga tāngata.*

The vision for Te Rautaki Māori is:

**He mana i te whenua, he kura kāinga, he whare
haumarū, he puna ora, hei oranga tangata.**
*With pride of place, with a space to call home, with
a protective house, let the spring of life prosper and
bring wellbeing to all.*

Urban development activities are a key mechanism for achieving a number of the organisation’s strategic outcomes. This strategy provides a framework in which to understand how our urban development objectives and our strategic priorities will contribute towards our vision and outcomes set out in our Kāinga Ora 2030 Strategy and Te Rautaki Māori.

Outcomes and objectives²

In developing the Urban Development Strategy objectives, we focussed on the expectations for Kāinga Ora set out in the GPS-HUD. This enabled us to distil some key themes that allowed us to link objectives with our organisational outcomes and use these to derive our seven guiding principles and four strategic priorities. The six Kāinga Ora 2030 outcomes and accompanying Urban Development Strategy objectives are:

	<p>Thriving communities: <i>Communities are inclusive and sustainable with access to employment, education, social and cultural opportunities</i></p> <p>Objective: People live in well designed and well-functioning urban environments that support access to jobs, public transport and social services</p>
	<p>Customer wellbeing: <i>People in our homes live well, with dignity, stability and the greatest degree of independence possible</i></p> <p>Objective: People live in communities with strong human connections, high levels of social capital and social and cultural amenities</p>

² Outcomes, objectives, principles and strategic priorities all have equal weighting. They are not listed in order of importance.

	<p>Housing access: <i>We enable homes that meet diverse needs, are safe, affordable and healthy to live in</i></p> <p>Objective: Increased housing supply in more places, at lower cost, offering a greater variety of housing typologies and tenures</p>
	<p>Enabling Māori aspirations: <i>Investment in housing solutions that build capability and support whānau wellbeing</i></p> <p>Objective: Māori are leading, delivering and contributing to housing solutions and urban development projects</p>
	<p>Environmental wellbeing: <i>Sustainable and resilient operations, assets and communities</i></p> <p>Objective: Investment and design choices mitigate current and future climate change risk, lower the emissions profile of a development and minimise impacts on biodiversity and water quality</p>
	<p>System transformation: <i>Land-use, infrastructure and housing supply is integrated, efficient, effective and responsive to demand.</i></p> <p>Objective: Our development activity strengthens the overall urban development system, including growing the capability and capacity of the industry</p>

5. Guiding principles and strategic priorities

Kāinga Ora Urban Development Strategy principles

The following seven principles underpin our strategic approach to urban development. These principles are consistent with our legislative settings and will support us to give effect to the GPS-HUD³.

The principles are enduring in nature and will apply to all aspects of the strategy's strategic priorities and implementation. They will inform how we approach urban design, our project delivery, and our decision-making. They sit alongside our Partnership and Engagement principles set out in He Toa Takatini⁴.

1. **We honour Te Tiriti o Waitangi:** We demonstrate partnering within a He Waka Hourua framework and by having early and meaningful engagement with Māori and offering Māori opportunities to participate. This includes identifying and protecting Māori interests in land and recognising and providing for the relationship of Māori with their ancestral lands, water, sites, wāhi tapu and other taonga.
2. **We complement the private sector:** rather than competing with the private sector, we aim to complement it by delivering urban development outcomes that the market cannot, or will not, deliver alone. We will seek a return on investment that is measured in outcomes such as scale, density, affordability, connectivity, social cohesion, quality of design, sustainability, and other characteristics of well-functioning urban environments.
3. **We create places people want to live in:** Our urban development activities shape urban form and design and contribute to thriving and inclusive communities. We help to create places that build and strengthen the connections between people and to the places they live, work and play.
4. **We are a market-leader:** We will use our powers and expertise to innovate, to reduce cost and improve outcomes at every stage of the urban development process. We will seek to support the industry through providing a substantial development pipeline, helping to reduce the speculative nature of the housing market.
5. **We protect and enhance the environment:** We will seek to enhance and regenerate natural systems and restore the mana and mauri of whenua and ecosystems through our development activity.
6. **We actively mitigate the impacts of climate change:** our urban development investment decisions reduce risks arising from, and provide greater resilience to, the effects of climate change. We will take a proactive leadership role in accelerating low carbon urban development in Aotearoa, while supporting the sector in upskilling and transitioning towards low carbon decision making and design.
7. **We take a place-based, community led approach:** our work is place-based to ensure the right response is brought to the right place at the right time by engaging authentically and extensively with wider communities. We collaborate with others to drive excellent urban development outcomes, including Māori, local authorities, local residents, non-governmental organisations (NGOs), other government agencies and the development and construction sector.

³ GPS HUD expectations may change, as it is reviewed on at least a triennial basis

⁴ Kāinga Ora: He Toa Takatini – Our Partnership and Engagement Framework 2021

Urban development strategic priorities

These strategic priorities are where we move from vision, outcomes and objectives to areas of action and delivery. They have been distilled from the range of issues identified during the strategy’s discovery and development phases and have been critical in informing the strategy’s implementation plan.

Each of the strategic priorities contributes to one or more of the strategy’s objectives and outcomes. They outline a set of action areas that will be detailed in the strategy’s implementation plan. They are also informed by, and are consistent with, the expectations set out for Kāinga Ora in the GPS-HUD. More detail is provided in Part 11 of this document, including links to specific GPS-HUD expectations.

The four strategic priorities (order does not imply precedence) for the Kāinga Ora Urban Development Strategy are:

Strategic priority 1: Grow housing choices and supply by increasing the supply of build-ready land

- We recognise that housing affordability and choice requires housing supply to keep pace with population growth long-term. We seek to improve affordability by increasing the supply of public, affordable and market housing. We also seek to enable a range of housing typologies and tenure choices.
- Our interventions range from increasing the supply of build-ready land to supporting others whose objectives are aligned to ours. Our approach is to utilise land efficiently through intensification of development.
- Māori have been disproportionately affected by reduced housing affordability, quality and lack of choice and so we will have a strong focus on supporting and enabling affordable housing options for Māori.

Strategic priority 2: Support Māori aspirations for urban development and build development capacity and capability

- Kāinga Ora and Māori will look for opportunities to facilitate and deliver housing and urban development projects and shape the system in a way that is effective for Māori, in recognition of the right of Māori to self-determine better housing and urban development solutions.
- We also recognise that Māori have aspirations to develop their own whenua outside of main urban areas. There are challenges in developing Māori land held in multiple ownership, and we have a role in supporting Māori with advice and information alongside other agencies.

Strategic priority 3: Provide certainty and stability of land and housing supply through market cycles

- We will support the development and construction industry by providing a substantial pipeline of development projects that is not driven solely by property cycles.
- By reducing the cyclical nature of development, we will help build industry capacity and capability, encourage innovation, and reduce development costs.
- Our long-term commitments will also reduce the speculative nature of the housing market, as the industry is able to respond rapidly to meet demand.

Strategic priority 4: Use our statutory powers and our leverage to overcome barriers to high quality development

- We will use funding, land acquisition, planning and other statutory powers to ‘unlock’ development potential in locations where the potential housing yields are high and where traditional approaches cannot achieve optimal outcomes.
- This includes locations with complex development challenges where there is significant Crown investment, for example in rapid transit and public housing – typically in brownfield locations.
- Our approach is to work alongside our partners, including our local government and Māori partners to determine how our statutory powers can be used to achieve common objectives.

CASE STUDY



Kāinga Ora adding value to urban development activity: working with other government agencies to ensure that Crown investment is coordinated

May Road Primary School is located in the Roskill South development. The school roll of just under 200 is projected to increase to approximately 800, as a result of the new homes being built.

Kāinga Ora worked with the Ministry of Education (MOE) and the school to ensure the local community was supported during the construction period and that the school received funding to upgrade its facilities for the new whānau and tamariki moving into the neighbourhood.

In March 2021, \$9 million was allocated by MOE to the school's building programme where classrooms in poor condition will be replaced with a three-storey, 15-classroom block. There will also be a new car park, as well as a safe drop-off and pick-up zone.



Image: May Road Primary School

6. How we work with communities

Our Partnership and Engagement Framework

As the first national urban development agency, we aspire to be a market leader and an agency that delivers exemplary urban development outcomes. We aim to bring innovative thinking to urban development projects and to add value through working in partnership with others.

Kāinga Ora – Homes and Communities has been asked to deliver a step-change in supporting and enabling communities to thrive and develop sustainably, with good quality affordable housing, where Māori interests are recognised and their aspirations for urban development are enabled, where our public housing customers live with dignity and independence and the environment is enhanced and protected.

Central to this work is bringing our communities with us: by developing enduring and effective partnerships, strengthening the housing sector capability and increasing our ability to engage meaningfully with Māori, local authorities, our customers, communities and stakeholders.

He Toa Takitini⁵, our Partnership and Engagement Framework, reflects the intention and aspiration of the Kāinga Ora - Homes and Communities Act 2019 and its operating principles, and the Urban Development Act 2020. It provides guidance to meet this new challenge. It acknowledges that the partnerships and relationships that Kāinga Ora develops and sustains with Māori as the Crown's Treaty partner, local authorities, customers and stakeholders are central to our business and, ultimately, to deliver successful outcomes for all New Zealanders.

He Toa Takitini encompasses all the activities, programmes and services that Kāinga Ora undertakes on behalf of the Crown and its intention is to:

- Develop strong and enduring relationships and partnerships based on the fundamental values of respect, reciprocity and trust
- Engage meaningfully and with integrity to understand the people, groups and communities we work with, or who are affected by our decisions, and involve them in the work we do on their behalf.

The framework describes our partnership and engagement principles and intentions and specifically aims to ensure:

- Our customers and stakeholders views are understood and considered when developing housing and urban development policies, proposals and plans
- Our relationships are strengthened and enhanced between Kāinga Ora and Māori, local authorities, communities, customers and stakeholders by ensuring they are informed about, and participate and have their say on, matters that are important to them
- We build enduring partnerships based on trust, respect and reciprocity
- We close the 'feedback loop' by providing timely communication so that people know when and how their contribution has been considered and how it has influenced decisions.

⁵ A full copy of He Toa Takitini can be found [here](#).

To support the implementation of the framework, He Toa Takinini is accompanied by an engagement toolkit. The practical tools, methods and resources included in the toolkit aim to ensure the framework's principles are embedded in our day-to-day business, including at the various stages of our urban development activities.

7. Supporting Māori urban development

We are committed to building and maintaining relationships between Māori and Kāinga Ora through a Treaty partnership model. He Toa Takitini, our partnerships and engagement framework, guides our approach. We will also meet our specific legislative obligations, and give effect to the expectations of Kāinga Ora in the GPS-HUD.

MAIHI Ka Ora – National Māori Housing Strategy is a strategy that has been co-designed with Māori and takes a holistic approach to housing. Its implementation demands both Māori and the Crown work in genuine partnership and accelerate positive action. The shared vision is that “All whānau have safe, healthy affordable homes with secure tenure, across the Māori housing continuum.”

Kāinga Ora supports, under MAIHI Ka Ora, the ‘one door’ cross government approach. This means that Māori do not have to navigate the complexity of agency responsibilities when seeking advice in relation to housing and urban development. This will mean working closely with other Crown agencies, as well as with rōpū Māori.

The **Kāinga Ora – Homes and Communities Act** specifies our obligations towards Māori in relation to urban development. One of Kāinga Ora functions is to understand, support and enable the aspirations of Māori in relation to urban development.

Kāinga Ora operating principles include:

- Identifying and protecting Māori interests in land, and recognising and providing for the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, wāhi tapu, and other taonga
- Partnering and having early and meaningful engagement with Māori, and offering Māori opportunities to participate in urban development.

The **Urban Development Act** requires Kāinga Ora to identify and protect Māori interests in land and to engage with Māori as part of this process. It also requires Kāinga Ora to seek, from Māori entities, expressions of interest in developing land within the proposed project area in which they have an interest.

The **GPS-HUD** sets out specific expectations for Kāinga Ora including that Kāinga Ora must:

“Work with Māori to build and support genuine, meaningful and enduring partnerships, that enable opportunities for Māori to both lead, deliver and contribute to housing solutions, and urban development projects. For example, partnering with Māori to increase housing supply and support developments where available on whenua Māori.”

Te Rautaki Māori o Kāinga Ora 2021-2026: Kāinga Ora Māori Strategy 2021-2026 lays a foundation for the expression and realisation of Māori aspirations for housing and is based on the principle of partnership under Te Tiriti o Waitangi. It is intended to sit across and guide the future direction of Kāinga Ora and its work streams, including the Urban Development Strategy. Its three goals are:

- **At Kāinga Ora, all Māori are housed in safe and affordable homes:** Recognising a significant number of whānau are on the list for emergency housing and that our goal cannot simply be to reduce this number but to be bold in framing the goal that all whānau should be housed in a safe and affordable home.
- **Significant and efficient scaling of increased housing options for Māori:** Recognising that urgency is critical and we need to act effectively and efficiently to ramp up housing options for whānau.
- **Māori-led solutions to Māori issues with the support of government:** Ensuring Māori-led solutions to Māori issues. This means supporting Māori to define their needs and therefore the solutions that will support greater wellbeing for whānau. Māori leadership needs to be supported by Kāinga Ora and other government agencies, devolving power where possible.

The Urban Development strategy has a focus on improving housing for Māori, both through working with Māori to support and enable their urban development aspirations and at an individual whānau and hapū level by delivering affordable housing options across the housing continuum.

Strategic Priority 2 of the Urban Development strategy is to “Support Māori aspirations for urban development and build capacity and capability”.

Even when we are not in a position to provide direct funding support, Kāinga Ora will work closely with other key agencies that contribute to improving Māori housing outcomes, and which do operate funding programmes, such as Te Puni Kōkiri and Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development (HUD), to ensure that our urban development activities complement and support one another.

CASE STUDY



Enabling Māori urban development aspirations: working with Ngāti Whātua o Kaipara

In 2016 a Memorandum of Understanding (MOU) was signed with Ngāti Whātua o Kaipara to develop over 400 new homes in the Te Uru precinct at Hobsonville Point.

This was the first time Ngāti Whātua o Kaipara had embarked on a property development venture and the MOU enabled the iwi to draw on Kāinga Ora knowledge and expertise gained in delivering medium density housing to assist in the successful development of the precinct.

Along with commercial input across the precinct, the iwi was also involved in placemaking such as providing names for the shared spaces and streets and contributing to the houses designs and built form.

This investment has provided Ngāti Whātua o Kaipara with invaluable experience in property development, enabled the formation of strategic partnerships and provided strong financial returns resulting in a successful venture for the iwi.



Image: Aerial view of Te Uru precinct under development

8. Drivers for intervention

The primary reason for Kāinga Ora to intervene in the urban development system is that New Zealand’s current housing supply is not keeping up with demand. In addition, the current supply does not always deliver outcomes such as affordability, density, choice of typology and tenure, and good urban design.

This puts pressure on families, reduces housing choice, impacts wellbeing and erodes housing affordability and quality. Our urban areas are not well suited to support New Zealand’s transition to a low-carbon future, to be resilient to the effects of climate change, and to support good access to opportunity for all.

A variety of factors have contributed to a range of housing and urban challenges New Zealand has been experiencing in recent years including:

- Inadequate developable land supply, land banking and slow release of affordable land for development
- Infrastructure delivery and funding challenges, especially in brownfield areas, leading to a preponderance, until recently, of greenfield “sprawl” type development
- Historically high population growth, especially in Auckland, but more recently expanding to provincial centres
- A complex and inherently conservative planning system, which is expensive to navigate, and that has not always allowed for intensification
- Ongoing use of residential property as an investment and wealth-creating vehicle, coupled with a prolonged period of record low finance costs, leading to ballooning prices.

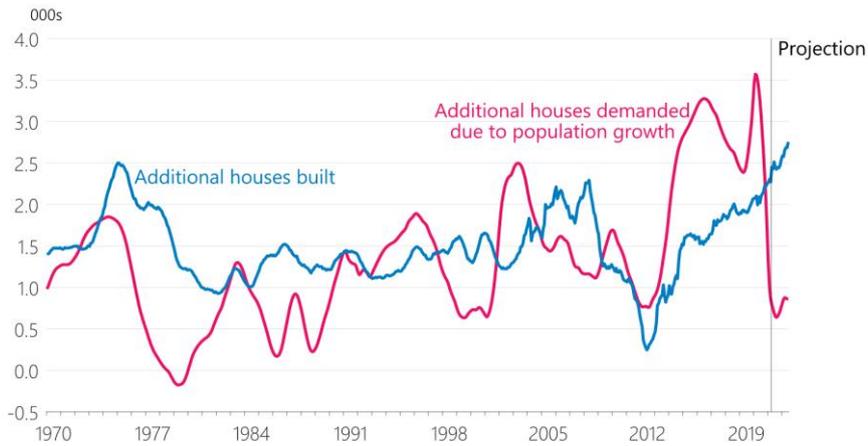
In recent years, New Zealand has failed to consistently build enough homes that are affordable for households on low to moderate incomes, in the places where they are needed.

During this time, the housing market has generally failed to respond to changes in demand for housing that have resulted from population and demographic change, evolving household composition and preferences, and changes in local economic conditions and incomes.

The mismatch of housing supply with the local demand for homes has fuelled high house prices and rents and contributed to growing rates of housing stress and homelessness. High housing costs make it difficult for many people to live in the larger urban areas where most jobs are located, which has economic implications when firms struggle to attract and retain workers.

As people search for more affordable housing further away from their work, it lengthens commutes, increases household transport costs, adds to congestion, and affects family wellbeing. When people relocate to adjacent or more affordable places in the search for more affordable housing, it puts stress on regional housing markets where there are fewer job opportunities and lower incomes, and displaces existing residents.

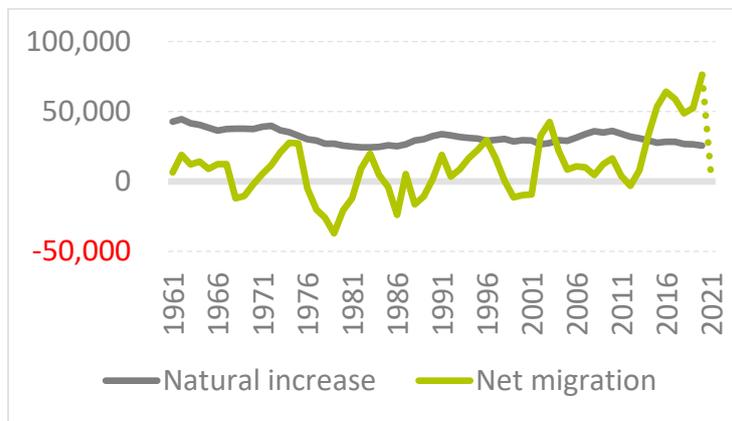
Fig 1. A supply vs demand picture: additional homes built vs population growth per dwelling



Source: Statistics NZ, Electricity Authority, Reserve Bank estimates.

In 2020, 21 of 66 local areas saw a net outflow of locals to elsewhere in New Zealand. Cities contributed 92 per cent of the declines recorded across the country, with seven of thirteen cities showing an internal migration outflow. In 2020, Auckland lost 12,600 (-34 per cent of net internal migration) residents to other areas, but brought in 36,700 international migrants to make up the loss, plus a natural increase of 12,800 residents.

Fig 2. Components of population change – a historical view annually to June 2021

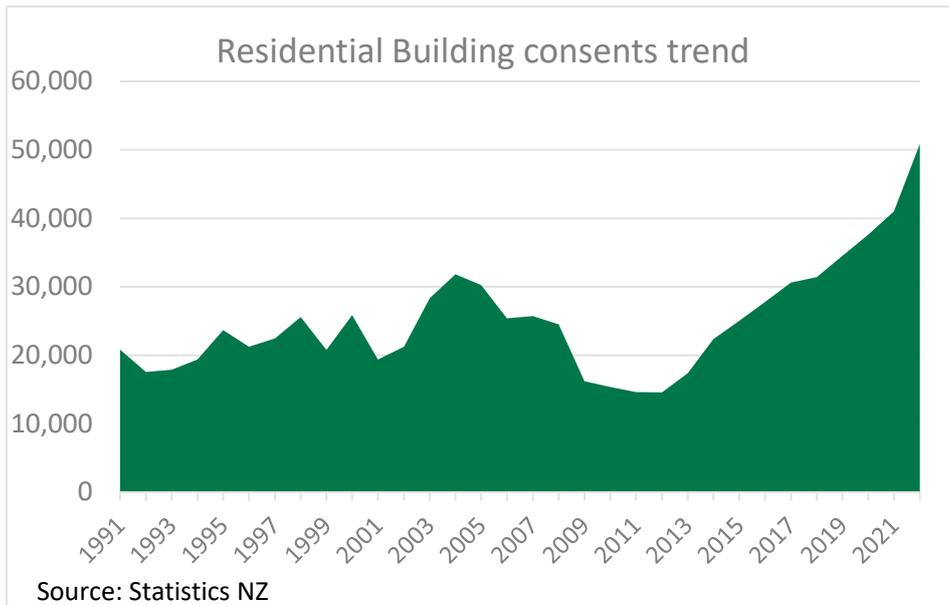


Source: Statistics NZ

This has put further pressure on housing markets outside of main centres, with the highest growth in prices in recent years taking place outside of Auckland, especially in regions where supply is more limited. This is contributing to growing levels of significant housing stress across multiple locations, pointing to the need for a wider place-based approach informed by local evidence and knowledge.

While a significant rise in residential building consents suggests there is a pipeline of new housing supply ahead (especially in Auckland), it is critical we sustain and build on the current high levels of construction sector activity. This will involve ensuring a clear and well-aligned pipeline of infrastructure and development projects that provide greater certainty to the sector, helping smooth out the boom-bust cycle, and providing more confidence to the sector to invest in raising industry-wide productivity, innovation and performance.

Fig 4: Residential building consents



9. Our toolbox

Kāinga Ora functions under the Kāinga Ora – Homes and Communities Act 2019 include initiating, facilitating, or undertaking any urban development, whether on its own account, in partnership, or on behalf of other persons⁶. We have categorised our activities along a continuum under the following headings:

- **Facilitating** urban development
- Working in **partnership** to enable and deliver urban development
- **Direct delivery** of urban development projects.

While this categorisation helps us describe our activities, it does not mean that each tool is only able to be used in one category of activities or even within one project.

Our overarching principles that we will apply when deciding how and when to intervene are those of **complementing the private sector**, and **taking a place-based, community led approach**.

This section also identifies our current set of activities across the continuum and the key challenges and opportunities that this strategy will address.

Urban development facilitation

Facilitation of urban development occurs across our spectrum of activity, including partnerships and delivery. Key objectives for our facilitation function are to:

- Promote good urban development outcomes, including well-functioning urban environments
- Ensure plans under the Resource Management Act⁷ 1991 (RMA) create enabling planning frameworks for all participants
- Use our urban design and planning capacity and capability to support local authorities and Māori developers to achieve good urban development outcomes
- Employ our statutory tools under the UDA to facilitate high quality development outcomes and overcome constraints to development
- Support and enable the aspirations of Māori in relation to urban development.

We have a clear mandate to facilitate and enable the delivery of 'well-functioning urban environments'. This will often require collaboration with others, for example local authorities, or via local authority led discussions.

Current state

Kāinga Ora currently undertakes a number of facilitation activities including:

- Participation in the creation and updating of planning documents under the RMA, specifically to ensure the National Policy Statement on Urban Development (NPS UD)⁸ is implemented in a comprehensive and enabling manner

⁶ Section 13(1)(f) Kāinga Ora – Homes and Communities Act 2019

⁷ And subsequent legislation reforming the resource management and planning environment

⁸ And the Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021

- Participation in the creation and review of strategic and spatial planning documents and processes, including through spatial planning expertise and resources, data and insights
- Provision of pre-application and due diligence advice to Māori developers, using experts from across Kāinga Ora including planners and urban designers, via the Whenua Māori Development team
- Sharing expertise and advice, including on infrastructure, planning and urban design, with local authorities to build capacity and understanding of best practice and challenges
- Engaging with local authorities and central government agencies to ensure that infrastructure required to support growth is planned for
- Administering and monitoring the government’s Infrastructure Acceleration Fund.

Strategic approach

The Urban Development Strategy provides an opportunity to consider whether the current scope of our facilitation role needs to grow and/or change, and if so, how and where that should happen and who we should be working with.

Our capacity is currently limited, but the recent change to a regional delivery model requires us to have a clear understanding of what our facilitation role is at a national and regional level, and where leadership sits.

Our involvement and participation in local authority-led discussions around spatial planning and development opportunities is weighted towards the larger local authorities.

Once we are clear about our role and capacity, we need to communicate this proactively, both internally and externally to key partners and stakeholders. Facilitation of urban development outcomes needs to become one of our primary tools that contributes to strategy outcomes.

The Infrastructure Acceleration Fund

The contestable \$1.08bn Infrastructure Acceleration Fund (IAF) is a key component of the Government’s \$3.8bn Housing Acceleration Fund announced in March 2021. The Government has mandated Kāinga Ora to implement and deliver the IAF, designed to fund councils to construct enabling infrastructure (transport, three waters and flood management) that will unlock housing developments in areas of need across the country.

Following a submissions process, 35 proposals have now progressed to the Negotiation Stage and discussions are currently underway with the aim of executing IAF Funding Agreements and associated Housing Outcome Agreements for these housing developments.

The IAF Agreements are expected to facilitate the delivery of up to 35,000 homes across the country over the next 10-20 years. It is a very significant and high-profile government intervention in the housing supply market over the medium term.

CASE STUDY



Kāinga Ora adding value to urban development partnerships: supporting innovation and testing of new tenure typologies

In December 2015, New Ground Capital, NZ Super Fund and Ngāi Tahu Property teamed up to develop 208 new homes at Hobsonville Point, of which 47 were retained by the consortium as long-term rental units and the balance sold on the open market.

This Build-to-Rent (BTR) initiative, one of the first of its kind in New Zealand, offers households an opportunity to lease a

professionally-managed rental property in a neighbourhood with high quality amenities. With lease terms of up to seven years, renting households are provided with greater security of tenure in a new, warm, dry home.

This successful example of tenure innovation has acted as a catalyst for further BTR projects to be delivered across Kāinga Ora large scale projects.



Image: Uku Apartments, Hobsonville Point

Urban development partnerships

Kāinga Ora has a clear mandate to consider **partnering** to enable and deliver urban development outcomes as an alternative to direct delivery or facilitation. This is distinct from our general requirement to collaborate and engage with others in all aspects of our work.

We enter into partnerships that are aligned with Kāinga Ora outcomes and priorities:

- **Planning** partnerships where our participation helps ensure that our outcomes and priorities are fully considered at the planning stage
- **Delivery** partnerships; in areas where we have significant landholdings we assess whether a partnership model will facilitate the development process and produce better urban development outcomes
- We support **Māori aspirations**, where Māori have identified that a partnership with Kāinga Ora can deliver outcomes, such as capability building. We also have a specific requirement to understand, support and enable the aspirations of Māori in relation to urban development
- We collaborate with **private sector developers** to deliver strategy outcomes, where our investment can leverage significant public benefits.

Current state

Our current activities are a mix of participation in spatial planning forums with central and local government and Māori partners, and delivering partnership based projects.

Strategic and spatial planning partnerships

Urban Growth Partnerships⁹ are well established. These partnerships, between local government, mana whenua and the Crown, are in place in six high growth areas. Each partnership has three core components or deliverables:

- An enduring growth management **partnership** which develops plans and programmes and also respond to issues and opportunities as they arise
- A joint spatial **plan** - signed off by all - which outlines how and where the region will grow over 50+ years
- A “rolling” **programme** of key transformational initiatives that require new ways of working together.

We participate in placed-based initiatives focused on areas with high need such as Rotorua and Hastings. These are also HUD-led but the process for identifying and prioritising these initiatives is evolving and Kāinga Ora is likely to take a more active leadership role in some locations.

⁹ Auckland, Tauranga-Western Bay of Plenty, Hamilton-Auckland corridor, Wellington-Horowhenua, Greater Christchurch and Queenstown are locations of Urban Growth Partnerships

Delivery partnerships

This is an emerging activity for Kāinga Ora, with partnerships becoming an increasingly vital component for the housing system to efficiently and effectively progress. Delivery partnerships involve working on developments with other parties where both Kāinga Ora and our partners have invested in the outcomes. Examples include:

- Kāinga Ora developing partnerships - including SDPs - with Māori, the not-for-profit sector, and build-to-rent providers to generate an increase in supply to meet the needs of those who most require it.
- Partnerships where Kāinga Ora has significant landholdings and wishes to partner with local authorities, iwi, NGOs, and development partners to deliver collaborative outcomes.
- Enabling practical opportunities for Māori to lead, deliver and contribute to housing and urban development projects, for example Kāinga Ora supporting Māori-initiated urban development projects, or working in direct partnership with rōpū Māori within Kāinga Ora initiated projects.
- Cross-agency partnerships in locations where Kāinga Ora can add value and deliver exemplary urban development outcomes associated with large transport infrastructure investments e.g. City Rail Link, Auckland Light Rail, Let's Get Wellington Moving. This type of partnership with the wider public sector provides complementary skills and resources that enable us to achieve more together.

Strategic approach

Our participation in Urban Growth Partnerships is functioning well, with clear lines of responsibility within Kāinga Ora and with other partners. Kāinga Ora is also working with HUD and other stakeholders in the MAIHI and place-based partnership areas of Rotorua, Hastings, Tairāwhiti and Te Tai Tokerau.

For delivery partnerships, a partnership model is likely to work best where significant investment is being planned by multiple parties in similar timeframes. Working in partnership should add value to a project, either by realising the benefits of mutual investment or by building the capacity and capability of development partners.

We need to determine how we can best support Māori in achieving their aspirations and building capability. This could be to work collaboratively under a facilitate/enable model to support Māori led development, or to apply a formal partnership model where shared investment and governance will support better outcomes.

Urban development delivery

Kāinga Ora plays a direct delivery role in areas where there are build-ready land and housing supply shortfalls and where there is also opportunity to renew or regenerate a high concentration of state housing. We will focus our direct delivery activities in locations and on sites where the market is unlikely to deliver development at the scale, pace, density or affordability that we are seeking.

We will aim to increase the supply of affordable housing through mixed tenure developments that deliver outcomes that are different from what the market would deliver on its own. Kāinga Ora will deliver a range of affordable housing typologies, both to rent and to own, to meet diverse needs and aspirations.

Direct delivery activities are implemented through existing and newly established programmes:

- **The Kāinga Ora Land Programme** – acquiring and developing land for the purpose of increasing housing supply
- **Large scale projects** – major redevelopment on land owned by Kāinga Ora

- **Significant urban redevelopment projects** on land already owned by Kāinga Ora
- **Larger-scale public housing projects** that have a meaningful impact on the urban environment

In 2021, the government made a significant investment in new urban development programmes in the form of the Kāinga Ora Land Programme and the Housing Acceleration Fund.

The Kāinga Ora Land Programme: acquiring and developing land for housing

The Kāinga Ora Land Programme, established in 2021, allows us to borrow up to a debt ceiling of \$2.0 billion to acquire and develop land to build-ready status. Crown funding is used to offset holding costs for acquisition and development activities i.e. rates, interest.

The expectation is that revenue from land sales will be largely cost neutral, although there is a limited ability to subsidise outcomes such as affordable housing. The advantages of Kāinga Ora playing a more active role in urban development under this programme includes the ability to:

- address land fragmentation, including using compulsory acquisition powers
- deliver the public housing programme with a mix of affordable and market housing
- capture value uplift from zoning changes and government infrastructure investment
- determine the development pace, scale, density, tenure and price points
- progress development in places, and for cohorts, that are not commercially attractive
- maintain momentum through a boom-bust cycle.

The primary objectives of the Land Programme are to:

- increase the supply of build ready land
- increase the pace, scale, density and regional spread of housing development
- increase the proportion of homes that are affordable for low-to-moderate income households, whether to rent or own.

Kāinga Ora will complement rather than compete with the private sector through the Land Programme, and will largely seek to acquire land off-market through strategic relationships with large landowners seeking to divest. We will deliver additional outcomes through increased pace, scale, density and affordability, as well as broader social and environmental outcomes.

The tools that allow us to achieve additionality may result in better processes and/or better outcomes, with examples including:

- masterplanning for density and scale beyond what the market might deliver alone
- the ability to undertake innovative urban development activities e.g. alternative typologies and construction methods, and implement different development delivery models (including alliances)
- tools such as underwrites, deferred settlements and subsidising non-commercial outcomes, such as affordable housing

- leveraging relationships with central and local government for a coordinated ‘whole of government’ approach to masterplanning
- integrated infrastructure planning and delivery, including social infrastructure, that can continue through market downturn
- delivery of higher sustainability features e.g. low energy homes, carbon neutral developments.

Strategic approach to land acquisition

A detailed land acquisition plan will be developed as part of the implementation of this strategy. Our key strategic priorities are:

- developing long term strategic relationships with significant landowners expecting to divest land off-market and over time e.g. councils, the racing industry, polytechnics
- developing long term strategic relationships with high quality development and build partners (both infrastructure and home builders) premised on an ongoing supply of land for development and home building, and a clear set of development objectives
- preparing a place-based strategic investment plan that spreads investment across the life of the programme, appropriate to the debt parameters embedded in the programme
- developing, and gaining endorsement of, a robust set of additionality tools to be used to deliver outcomes at a project level beyond those that the market would deliver alone, for example: higher densities, broader range of housing typologies, climate change mitigation
- developing strategic partnerships with other key agencies and partners e.g. Waka Kotahi, Ministry of Education, Māori, and local authorities in order to maximise Crown investment benefits from the programme including alignment of investment planning
- exploring the potential for the use of partnerships and alliances to deliver land development outcomes at pace and scale.

Large-scale redevelopment projects

Kāinga Ora has land holdings spread across the country, and many of these sites are contiguous, providing significant redevelopment opportunities. The majority of our public housing was built before 1985 and requires replacement, renewal or major investment to meet modern healthy homes standards. This provides an opportunity to consider urban redevelopment projects that will both improve public housing quality and increase the supply of build-ready land for affordable and market housing.

Kāinga Ora is currently delivering the largest urban regeneration in New Zealand’s history via six large-scale projects across Eastern Porirua and Auckland. The programme will redevelop land currently utilised for public housing provision enabling more than 36,000 public, affordable and market homes, with investment in infrastructure unlocking a further 21,000 homes on privately owned land.

The objectives of the large-scale projects are to:

- address New Zealand’s public housing shortage by enabling the replacement of existing public housing stock with increased numbers of new warm, dry, fit-for-purpose housing stock

- enable the delivery of a significant volume of affordable and market housing into Auckland’s undersupplied residential market
- deliver exemplar intensification at scale incorporating all aspects of quality urban development such as connectivity, environmental sustainability, mixed use, greater housing choice, and good quality design
- support the industry to scale up and innovate by providing a significant pipeline of work.

Our role spans the entire development process, from inception to when occupants move in. We engage and partner with Māori, undertake extensive and meaningful community engagement, and communicate with key stakeholders including councils and government agencies. We will also actively seek to engage with Māori businesses in the delivery of projects through our social procurement processes.

Next steps in redevelopment

We are now exploring applying the lessons learned from the large-scale projects to multiple smaller, but still significant urban redevelopment projects on land that Kāinga Ora owns, across a range of locations. To date, more than 30 projects have been identified as having the potential to provide additional modern public housing as well as affordable and market housing in masterplanned communities.

The programme will consider options ranging from renewal of existing ageing public housing stock at higher density, through development and release of surplus land into affordable and market housing provision, through to full-scale urban regeneration projects.

Our overall goal is to roll out a programme of significant redevelopment across our existing public housing holdings over time that results in an increase of high-quality public housing and, in some cases, the availability of build-ready land for high quality affordable and market housing. The timing, scale and location of this activity will be subject to future funding decisions.

CASE STUDY



Kāinga Ora adding value to urban development delivery: Using social procurement to connect communities with training, employment and industry opportunities

Construction Plus helps local communities impacted by urban development by connecting people with training, employment and industry opportunities across Auckland and New Zealand. The scheme is also designed to educate communities about large scale developments in their area.

The Construction Plus programme is part of an ecosystem of initiatives across Kāinga Ora that supports increasing capability in the community, and industry growth.

Since it was established in November 2019, over 100 people have been engaged through Construction Plus with over half having gone on to become employed.



Image: Students participating in the Construction Plus Programme

10. Strategic use of statutory powers

In addition to our general urban development activities, Kāinga Ora has access to a range of statutory powers that can be deployed to overcome barriers to development across all parts of the continuum.

Specified Development Project powers

The Urban Development Act 2020 gives Kāinga Ora a set of unique statutory powers and provides a new way for Kāinga Ora to work with councils, Māori and private developers. The UDA enables urban development that contributes to sustainable, inclusive and thriving communities. This kind of urban development promotes environmental, social, cultural and economic wellbeing.

The powers available under the UDA will be applied to the kinds of projects that have historically struggled to progress, due to the barriers they face. These barriers include fragmented land parcels, land status, uncoordinated decision-making processes, poor and ageing infrastructure, and restrictive planning. Projects might be Kāinga Ora led, delivered in partnership with others, or delivered by external parties.

The UDA will be used to deliver improved urban development outcomes, including development at scale, a mix of housing types, rapid transit connections, employment and business opportunities, key infrastructure, community facilities and green spaces. Proposals to establish SDPs need to meet criteria set out in the UDA, and be subject to a statutory assessment process before being considered for establishment by Ministers via Order in Council.

Land aggregation powers

Kāinga Ora powers of land acquisition for the purposes of urban development under the UDA can be used both within an SDP and as part of a non-SDP development. Compulsory acquisition powers can only be exercised after willing seller/willing buyer negotiations have failed to progress. We will use our powers of compulsory acquisition primarily to aggregate land, bring development forward and ensure high-quality urban development outcomes in close proximity to significant rapid transport infrastructure investments. However, we will consider this on a case-by-case basis.

Examples might include land within walking distance of a rapid transit station that would be required to undertake a comprehensive high density urban development scheme, or parcels of land that, if acquired, would create a significant contiguous development site and create access to an existing landholding.

Infrastructure funding

Infrastructure funding is one of the key challenges for any significant urban development project. The use of SDP powers enables the setting of targeted rates to provide for infrastructure within a development, but in some scenarios another avenue, such as the Infrastructure Funding and Financing Act 2020 may be a more appropriate statutory tool to reach a funding solution. Assessment of the use of any statutory tools will be an early part of scoping urban development projects.

11. Prioritising our activities by place

Kāinga Ora will take a place-based approach to its urban development activities. The location of our activity matters just as much as the number of houses we enable. We need to ensure that we are investing our efforts where housing is most needed and where we can maximise the opportunity to create well-functioning urban environments.

We will use a shared evidence base, agreed with HUD, to inform where and how to prioritise investment and activity, including facilitation, partnerships and delivery. We will also engage with Māori wanting to lead urban development in areas important to them.

Direct and catalysing capital investment in enabling new housing supply will be primarily in our housing and urban development focus areas (refer to map on page 32). We will encourage partnering with Māori in these locations.

Other locations will still be targeted for investment, where problems may be specific or isolated to one part of the system. Some support may be needed, but not to the extent of full partnership (i.e. ongoing sustained involvement). The level of intervention and activity at these locations may increase or decrease over time, as needed.

Investment at these locations will more likely be in the form of urban development facilitation or partnership projects and/or through direct investment in new public housing, including alongside urban redevelopment of land that we already own. There will be a strong emphasis on opportunities for Māori leadership, partnership and/or active participation in these locations across all parts of urban development.

Kāinga Ora will consider the following when prioritising its urban development activity in locations other than our housing and urban development focus areas:

- The rate of growth, and current and expected demand and supply shortage
- Māori urban development aspirations, engagement and opportunities
- Regional and local housing affordability and housing stress, both renting and home ownership
- Housing sector capacity at the local level, including the development and construction sector
- Climate change risk and vulnerability, and the need to mitigate this and create resilience
- Willingness of local authorities to partner and to enable development
- Potential to work in partnership with others e.g. iwi/Māori, local authorities, development partners, community housing providers
- Ability to leverage other government investment in a place e.g. transport, education, health
- Performance of the existing urban environment and potential to support well-functioning urban environments, including increased density, transport accessibility, social infrastructure, green space and reduced carbon emissions.

By focusing our investments on high growth/high need locations, we will enable housing in places that have the greatest need and where there is good access to jobs and social infrastructure. We want to enable density, transport mode shift, efficient use of infrastructure, and housing choice in places that people want to live.

This approach also enables us to align significant investment with the existing Urban Growth Partnerships, our MAIHI and place-based partnerships and to take advantage of, and build on, the Kāinga Ora activity that is well underway in these high priority locations.

We will work closely with HUD and other relevant agencies e.g. Waka Kotahi, Ministry of Education, Te Puni Kōkiri, to ensure that our engagement in these locations is coordinated and responsive. We will engage early and meaningfully with Māori alongside our agency partners to ensure their aspirations are understood and outcomes are enabled from a cross-agency perspective. We will proactively engage with local authorities, community housing providers and the development community in locations where housing stress is greatest.

Regular reviews of locational priorities will ensure that there is flexibility to respond to changes in growth, demand and housing stress.

LOCATIONAL GUIDANCE FOR TYPE OF URBAN DEVELOPMENT ACTIVITY

**Low growth, low cost land, limited job proximity,
→ better affordability**

**High growth, high cost land, good job proximity,
→ poorer affordability**

Problem this presents	Supply meeting general demand but pockets of poor housing	Affordability and supply issues – poor or worsening	Inadequate housing supply and affordability, high growth, market failing
Locations	All other locations	New Plymouth, Stratford, South Taranaki, Napier, Wairoa, Whanganui District, Dunedin, Thames-Coromandel, Nelson-Tasman, Marlborough, Taupō, South Waikato, Palmerston North- Manawatu	Auckland, Tauranga, Hamilton , Greater Wellington, Queenstown, Greater Christchurch, Rotorua, Hastings, Whangārei/Te Tai Tokerau, Gisborne/Tairāwhiti, Eastern Bay of Plenty
Strategic priorities	Facilitation of small scale urban development and housing supply. Facilitating development on Māori land	Local development partnerships, partnerships with iwi/Māori, facilitating iwi/Māori and community development projects, potential land programme acquisitions, medium scale mixed tenure developments	Land acquisitions where the market is failing to deliver Significant partnership projects. Higher density, close to jobs, schools and public transport Local development partnerships, partnerships with iwi/Māori, facilitating iwi/Māori and community projects
Key informing processes	Direction to be tested and informed through place based programmes and partnerships as these are developed, in conjunction with HUD and key partners. Consideration of use of UDA powers via SDP establishment possible at all locations, dependent on project outcomes and risks		
Urban Development Strategy	Maintain or renew current public housing stock to meet demand. Facilitate developments, with emphasis on Māori land	Develop change through partnering, catalysing and leveraging the market response. Targeted direct capital investment in conjunction with public housing programme.	Direct intervention to facilitate more quality land and housing supply Larger urban development projects leveraging significant Crown infrastructure investment Moderate to significant direct investment
Tenure priorities	Public housing with some mixed tenure. Facilitating outcomes delivered by others.	Public housing. Affordable and market to rent or own. Smaller scale of development to respond to market failure	Increase supply. Affordable home ownership. Affordable rentals. Transit oriented development. Density done well. Public housing to meet need.
Prioritising interventions	Best value mix of interventions to achieve strategic outcomes required, within available funding. Build on strengths and capacity through working in partnership with others e.g. iwi, rūpū Māori, councils, development partners, community housing providers		
Outcome	An increase in the pace, scale, density and affordability of housing supply, with urban development and housing supply activity being focused on places where need is greatest and markets are struggling to respond. Thriving and resilient communities a key deliverable. Well-functioning urban environments.		

Housing and urban development focus areas

This map shows those parts of New Zealand that HUD and Kāinga Ora are prioritising effort and investment. While our focus is on regions where there is the greatest demand, priorities will change over time in response to need and areas across the country will continue to receive services, funding and other support.

*Auckland

Including:

Kāinga Ora Regeneration Areas

Northcote, Mt Roskill/Ōwairaka, Oranga, Mangere and Tāmaki

Kāinga Ora and the Tāmaki Regeneration Company are transforming suburbs and communities with public housing to provide more and better-quality public housing, and to deliver more affordable housing options for both rental and ownership, as well as improved amenities, public spaces, and infrastructure.

Redevelopment Areas

City Centre and Mt Eden, Manukau, and Carrington/Unitec

These are areas where central and local government investment in infrastructure is providing significant opportunities for urban redevelopment and intensification, including opportunities to partner with mana whenua to redevelop underutilised Crown land for new housing supply.

Priority greenfield growth areas

Drury and North West

The Government and the Auckland Council have identified Drury and the NorthWest as the two greenfield growth areas for priority focus and investment within the Urban Growth Partnership.

**Wellington-Horowhenua

Kāinga Ora Regeneration Area

Porirua

Kāinga Ora are working alongside the community, Porirua City Council and Ngāti Toa Rangatira to regenerate Eastern Porirua.

Key

● Place-based partnership need identified

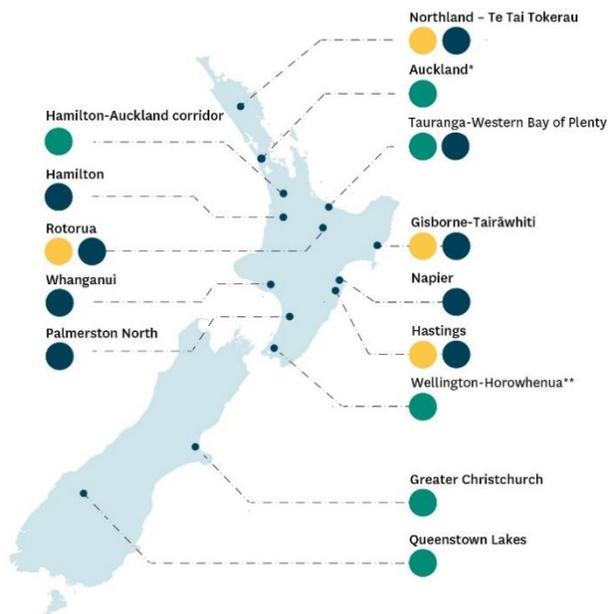
HUD is taking a place-based approach to housing in key regional locations with high needs, working with Kāinga Ora, councils, iwi and others based in the community to develop and implement joined up local solutions.

● Locations where public housing need is urgent

As outlined in the Public Housing Plan 2021-2024 the Government has identified regional centres where the need for public housing has grown the fastest an a step change is required. These are locations where population has exceeded new housing development leading to rising rents and housing shortfalls.

● Urban Growth Partnership area

The Urban Growth Partnerships provide a forum for central government, local government and mana whenua to collaborate on the strategic direction for Aotearoa New Zealand's highgrowth urban areas or corridors. With a focus on integrating land-use and infrastructure planning, they inaugurate a collaborative approach that will become more commonplace under the proposed resource management reforms.



CASE STUDY



Kāinga Ora adding value through masterplanning: Te Ara Awataha Greenway, Northcote Development

The opportunity to create a greenway, a green ‘corridor’ designed to make it easy and pleasant for people to move around part of a neighbourhood, was identified as a key aspect of the Northcote Development masterplan.

Kāinga Ora, in collaboration with Auckland Council and Eke Panuku, have been working closely with mana whenua, Kaipātiki Local Board, local schools and other stakeholders to develop the design and function of Te Ara Awataha Greenway.

The creation of the greenway has allowed for density to be distributed around it, walking and cycling connections to the town centre, and the enablement of mana whenua aspirations, including daylighting and restoring the Awataha Stream. This approach to the community playing a lead role in planning and design is being replicated in other large scale projects.

The majority of Te Ara Awataha Greenway is expected to be completed late 2022.



Image: render of completed Te Ara Awataha Greenway

12. Strategic priorities

The following strategic priorities have been identified as key to advancing the Urban Development Strategy objectives and outcomes. Each of the strategic priorities is also linked to expectations set for Kāinga Ora in the GPS-HUD.

The strategic priorities will inform the development of the strategy's implementation plan, which will set out a series of detailed actions, deliverables and reporting measures across short, medium and longer term timeframes.

The delivery against the strategic priorities will always be guided by our legislation, the GPS-HUD and our organisational values. Priorities have been selected to achieve the outcomes and objectives of the Urban Development Strategy and the strategy's seven principles will apply across all of our activities. They are:

- **We honour Te Tiriti o Waitangi:** We demonstrate partnering within a He Waka Hourua framework and by having early and meaningful engagement with Māori and offering Māori opportunities to participate.
- **We complement the private sector:** rather than competing with the private sector, we aim to complement it by delivering urban development outcomes that the market cannot, or will not, deliver alone.
- **We create places people want to live in:** Our urban development activities shape urban form and design and contribute to thriving and inclusive communities.
- **We are a market-leader:** We will use our powers and expertise to innovate, to reduce cost and improve outcomes at every stage of the urban development process.
- **We protect and enhance the environment:** We will seek to enhance and regenerate natural systems and restore the mana and mauri of whenua and ecosystems through our development activity.
- **We actively mitigate the impacts of climate change:** our urban development investment decisions reduce risks arising from, and provide greater resilience to, the effects of climate change. We will take a proactive leadership role in accelerating low carbon urban development in Aotearoa, while supporting the sector in upskilling and transitioning towards low carbon decision making and design.
- **We take a place-based, community led approach:** our work is place-based to ensure the right response is brought to the right place at the right time by engaging authentically and extensively with wider communities.

Strategic priority 1: Grow housing choices and supply by increasing the supply of build-ready land

Why we chose this strategic priority:

Years of under-building has meant that housing supply has not kept pace with rapidly growing population. This has made housing unaffordable for many people and increased the waiting list for public housing.

Construction and civil works costs are escalating in New Zealand, in part due to shortages of materials. Building at scale will enable innovation in design and construction that will help to reduce costs over time.

Recent declines in immigration due to COVID-19 provide an opportunity to ‘catch up’ so that we can stop the cycle of house prices rising in response to speculation about future shortages.

We also recognise a need to increase the supply of affordable housing options because market housing is likely to remain inaccessible to many low- and middle-income families for the near future. This includes enabling a range of tenure choices including home ownership, private rental and models that allow people to transition to home ownership.

How this strategic priority contributes to our outcomes:

Housing access – By significantly increasing the supply of build ready land – masterplanned and serviced with infrastructure – we can enable housing to be built at pace, scale, and density. Our ability to work with councils and other Crown agencies to solve complex planning and funding issues enables us to invest in locations, typologies and tenures that are less attractive to private investors.

System transformation – building costs are escalating in New Zealand, in part due to shortages of materials. Building at scale will enable innovation in design and construction that will help to reduce costs over time.

Māori aspirations – This strategic priority will contribute to the Te Rautaki Māori o Kāinga Ora 2021-2026: Kāinga Ora Māori Strategy 2021-2026 goal of “Significant and efficient scaling of increased housing options for Māori”.

Links to GPS-HUD expectations

- Contribute to the Government’s broader housing objective to improve housing supply and affordability through urban development that increases the supply of build-ready land and the pace, scale, density and affordability of new housing supply.
- Work with HUD, Waka Kotahi, Te Puni Kōkiri and other central and local government agencies and Māori to ensure its urban development activities are focused on the places it can make the most meaningful difference to alleviating housing supply and affordability pressures.
- Take a place-based approach to developing options and strategies that deliver the Government’s housing and urban development priorities.

- Recognise intensification as a key consideration in delivery or enabling construction of housing and infrastructure, and that intensive urban environments need to support customers and thriving communities.
- When undertaking urban renewal and development ‘up’ and ‘out’, consider how investments can support greater density, mixed land use, connectivity and access to key transport hubs, jobs and amenities, while recognising the importance of the environment and preserving quality green space.

Our implementation of this strategic priority will include:

- Ensuring that Kāinga Ora urban development projects deliver additional outcomes that the market would not deliver on its own e.g. higher densities, range of housing typologies and tenures, climate change mitigation actions
- Investigating and scoping a programme of urban development across our existing public housing holdings that results in an increase of high-quality public housing and the availability of build-ready land for high quality affordable and market housing¹⁰
- Developing and delivering housing options accessible to whānau Māori across the housing continuum, focussing on quality, affordability and security of tenure
- Ensuring that housing in developments we support or deliver meets the needs of diverse communities, including the provision of public housing in developments, wherever possible
- Continuing to advocate to councils for planning rules that enable intensification in locations suited to urban redevelopment
- Preparation of a place-based strategic land acquisition plan to guide our purchases under the Kāinga Ora Land Programme
- Administering the Infrastructure Acceleration Fund, including the finalisation of a Housing Outcome Agreement for each successful proposal
- Initiating the delivery of New Zealand’s first low carbon neighbourhood, sharing lessons learned across the wider sector to aid in accelerating the Government’s climate change commitments.

¹⁰ Subject to funding availability

Strategic priority 2: Support Māori urban development aspirations and build development capacity and capability

Why we chose this strategic priority:

Māori have long held housing aspirations to be realised across the Māori housing continuum – from addressing homelessness through to Māori looking to partner for development opportunities.

Previous ‘one size fits all’ approaches to Māori housing have not worked. A focus on Māori-led local solutions will enable Māori and Kāinga Ora to identify need at a local level and deliver fit-for-purpose housing and urban development solutions that take a ‘by Māori, for Māori’ approach.

How this strategic priority contributes to our outcomes:

Thriving communities – Thriving communities are diverse and shaped by the people who live in them. This strategic priority will help ensure that Māori do not face barriers to living in well-functioning urban environments with good access to jobs. It will also ensure that Māori are enabled to lead the design of urban environments to reflect kaupapa Māori, mātauranga approaches to sustainable urban development, and Māori design principles.

Māori aspirations – This strategic priority will help give effect to the Te Rautaki Māori o Kāinga Ora 2021-2026: Kāinga Ora Māori Strategy 2021-2026 goal “Māori-led solutions to Māori issues with the support of government”.

Links to GPS-HUD expectations

- Align strategic priorities in relation to Māori to support the Government’s actions in addressing gaps in the housing system.
- Work with Māori to build and support genuine, meaningful and enduring partnerships that enable opportunities for Māori to lead, deliver and contribute to housing solutions, and urban development projects. For example, partnering with Māori to increase housing supply and support developments where available on whenua Māori.
- Realise opportunities for Māori housing projects by providing data, insights and knowledge to help build capabilities.
- In contributing to, and delivering on, Māori and Whānau Ora outcomes, develop tangible measures and indicators to track against those outcomes for future years.

Our implementation of this strategic priority will include:

- Actively pursuing urban development partnerships that recognise social, cultural, economic and environmental wellbeing, ease of access, equity, effectiveness, respect and trust and are underpinned by Te Tiriti o Waitangi.
- Providing practical opportunities for Māori to lead and contribute to housing solutions e.g. Māori-led build-to-rent projects on leased Kāinga Ora land, partnering on papakāinga development projects.

- Establishing and improving new and existing products/services for land development (including infrastructure and Kāinga Whenua) and housing supply funding e.g. HUD and Te Puni Kōkiri funding programmes such as Whai Kāinga Whai Oranga and the He Taupua and He Taupae funds.
- Building Māori urban development capacity and capability through facilitation and partnership.
- Using the Whenua Māori Response Team to support Māori to better access technical advice to enable land development and housing supply.

Strategic priority 3: Provide certainty and stability of land and housing supply through market cycles

Why we chose this strategic priority:

Our fragmented building industry is dominated by small to medium-sized players that are vulnerable to the cyclical nature of development. The number of dwelling consents issued for several years following the 2008 global financial crisis was extremely low, especially in Auckland. As well as fuelling house price growth, it had a detrimental impact on the industry.

The recent boom in construction is encouraging, but higher building costs, higher interest rates, lower population growth and the potential for weaker house prices, mean there is a risk that the industry could respond by scaling back investment plans.

While Kāinga Ora may face similar pressures, our ability to take a long-term approach means that we can continue to invest in making land development-ready during downturns, thereby cushioning the impact of downturns.

How this strategic priority contributes to our outcomes:

System transformation – By providing a secure pipeline of work we can reduce risk for the industry and encourage investment and innovation. We can provide further certainty by entering into multi-year construction partnering agreements and infrastructure alliances. These interventions will support growth in industry capacity and capability that will drive down costs longer term.

Housing access – By developing land through market cycles we can increase and stabilise housing supply. In addition to industry benefits, this will help dampen house price growth and make land banking less attractive.

Links to GPS-HUD expectations

- Maintain a pipeline of future urban development projects to provide greater certainty to the infrastructure, development and building and construction sectors.
- Contribute to transforming the building and construction sector by helping to raise productivity and performance and being an exemplar developer, in a way that supports capability building across the construction sector, and in line with the Construction Sector Accord.
- Work collaboratively with others to better understand, promote and facilitate innovative building. Solutions that speed up and scale up construction and make housing more affordable, such as off-site manufacturing and adaptive re-use.

Our implementation of this strategic priority will include:

- Maintaining a pipeline of future urban development projects to provide greater certainty to the infrastructure, development and building and construction sectors.
- Leveraging our scale, supply chain partnerships and innovative construction techniques to reduce the cost of construction and improve productivity.
- Addressing infrastructure funding and financing issues in collaboration with our partners

- Growing long-term relationships with development partners, including developing tools to de-risk investment.

CASE STUDY



Kāinga Ora adding value to urban development activity: working with development partners to de-risk new typologies of housing

Enabling new and innovative housing typologies is a priority across Kāinga Ora urban development projects.

In 2013, Kāinga Ora played a role in de-risking the delivery of the first three level walk-ups at Hobsonville Point. Given this was a relatively new housing typology for the New Zealand market at that time, the build partner experienced difficulty confirming bank finance.

In order to secure that funding, Kāinga Ora agreed to lease some of the three level walk-ups for six months if they did not sell. This satisfied the bank and construction was able to commence with all homes sold off the plans.

Three level walk-ups have since proven to be a popular typology throughout Hobsonville Point as well as across Kāinga Ora's other large-scale projects.



Image: The first three level walk-ups at Hobsonville Point

Strategic priority 4: Use our statutory powers and our leverage to overcome barriers to high quality development

Why we chose this strategic priority:

Projects such as the City Rail Link, Auckland Light Rail and Let's Get Wellington Moving provide huge opportunities for urban development that will benefit from and maximise the benefits of these investments. However, most of the investments are located in brownfield locations with major planning and infrastructure funding challenges.

The UDA has given Kāinga Ora specific powers to address planning, land aggregation and infrastructure constraints. These powers, along with our asset base, our ability to borrow, and our involvement in regional planning forums, make us uniquely placed to play a lead role in uplifting value in these locations.

Where infrastructure funding alone is the most significant constraint, the Infrastructure Funding and Financing Act 2020 may be the most appropriate tool to unlock development opportunities.

How this strategic priority contributes to our outcomes:

Thriving communities – the locations with the biggest challenges already have many of the attributes of well-functioning urban environments – including amenities and proximity. Through enabling intensification of these areas, we can enable more people to enjoy these benefits and the benefits that will arise from other investments.

Environmental stewardship – Locations with development challenges are often the same locations with challenges in delivering low carbon outcomes. Intensification of development, in both brownfield and greenfield locations, reduces the carbon impact of development by enabling transport mode shift. We also have the ability to enable sustainable infrastructure solutions and environmental restoration through creative use of funding tools.

Customer wellbeing – without our involvement these desirable locations are likely to further gentrify, excluding not only our most vulnerable customers, but also many others on moderate incomes.

Links to GPS-HUD expectations

- Make effective use of land resources to respond to current and future demand for housing, including through land acquisition and development, in line with joint spatial plans where they exist. In doing so, maximise value-for-money and managing risk to the Crown. Avoid holding land for solely speculative purposes.
- Enable and complement private sector and non-government partners. This includes leading in areas with significant development constraints, facilitating more efficient developments through its land acquisition and development powers, and helping build capability and capacity across the system.

Our implementation of this strategic priority will include:

- Using our statutory powers under the UDA to unblock and expedite development where there are significant development constraints and opportunities
- Using our powers of compulsory acquisition to aggregate land for development, especially in proximity to significant rapid transit infrastructure
- Using our statutory powers to deliver low carbon outcomes, such as low carbon neighbourhoods. and effective transit oriented development
- Addressing infrastructure funding and financing issues, in collaboration with our local government and other Government agencies, using appropriate statutory tools
- Complementing Government investment in significant transport infrastructure by taking a lead role in transit oriented development.

13. Implementation

The responsibility for implementing the Urban Development Strategy will require active involvement across the organisation and collaboration with other agencies and key delivery partners. The implementation of the Urban Development Strategy will be the responsibility of the General Manager, Urban Planning and Design, but will require a whole-of-Kāinga Ora approach and close collaboration with other key agencies, especially HUD.

An implementation plan has been developed that sets out actions arising from this strategy under short (within 12 months), medium (12-24 months) and longer term (2-5 years) initiatives. Action items have timeframes and lead (and supporting) teams attached to them, which will report up through the implementation programme management and governance structure.

The GPS-HUD requires Kāinga Ora to:

Have planning frameworks, tools and approaches in place to give effect to the GPS. Through the entity's strategic documents, [Kāinga Ora will] respond to the direction in the GPS and report annually on progress against GPS expectations.

Progress against the implementation plan will be reported regularly, in accordance with the Kāinga Ora strategic framework reporting and monitoring plan.

