



# Kāinga Ora – Homes and Communities Status Report

For period 8 November - 22 November 2024

GSR-24-17795

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## 1. Decisions or consultations sought for this Status Report

Approval to Transfer of Land for 100 Walters Street, Avalon, Lower Hutt (GSR-24-17572)

## 2. Updates for Hon Chris Bishop, Minister of Housing

### Update on Social Housing Expectations

Kāinga Ora has an existing backlog of end-of-life assets, and an increasing number reaching the end of their lives over the coming years. Actively renewing these homes is critical to manage growing maintenance costs, improve the performance of the homes, and to realign them with changing customer demographics and needs. Assets are renewed in one of three ways:

- **Redevelopment** - this involves demolishing the old home and building new homes (typically targeting at least three). One of the new homes replaces the demolished home, while the other two can be used as growth, or to **replace** older homes elsewhere (see next point)
- **Replacement** – this involves selling older, end-of-life homes and replacing them with new homes that are either acquired from developers or enabled through redevelopment
- **Retrofit of the existing asset** – a significant refurbishment and modernisation of existing assets to provide another 50 years of life. This programme is deployed where redevelopment is not viable, but where the asset is well located, and it is more cost effective than selling and replacing.

Kāinga Ora's budget and recent HYEPU submission includes 300 units of replacement sales in FY25 with an expected value of 9(2)(b)(ii) to reinvest in new fit-for-purpose housing stock. This 9(2)(b)(ii)

The budget increases in FY26 to 939 units at an expected value of 9(2)(b)(ii) for reinvestment in replacement homes to support the renewal of our portfolio.

These replacement sales are spread across New Zealand and enable some rebalancing of the portfolio from areas where redevelopment activity has been highest over the past couple of years (i.e. Auckland, Christchurch).

Replacement sales will primarily target poor performing end-of-life stock (generally pre-1986) with high and growing maintenance costs, poor alignment with customer needs and with limited commercially viable opportunities for redevelopment. They may fit within the following criteria areas:

- **Not fit for purpose:** for example, where either the asset condition, configuration or location mean the asset does or cannot provide the service level required for our customers including when refurbishment or redevelopment is considered.
- **Surplus to requirements:** this reflects assets where there may not be a need for this typology, type of property or other reason based on forecast demand in the location going forward.
- **High Value:** older properties in high value areas, typically with restrictive planning rules meaning there is not a cost viable pathway for redevelopment, and the capital raised can be used to provide multiple other houses in different areas;
- **Uneconomic to Retain:** assets where the costs to keep it in service (meeting Kainga Ora's standards) do not make financial sense and it is more cost effective to divest the property and acquire a new one.

In FY25 to date we have settled or have unconditional replacement sales on 63 units, providing \$26.3 million of capital for reinvestment. Our Investment and Planning teams are currently identifying assets suited for replacement, with plans to bring more assets to market in the next couple of months.

In addition, a review of vacant land holdings is being completed and proposed next steps are intended to be discussed with the Kāinga Ora board in December 2024 and will be shared with monitoring agencies and the Minister. This may include the proposed divestment of various land assets that are considered surplus to needs in future.

**Contact Person:**

Gareth Stiven

**Position:**

General Manager – Strategy,  
Finance and Policy

**Phone:**

9(2)(a)

**Final homes for Eponi development**

Delivered in stages, we aim to have 36 homes delivered in time for Christmas, and the final 57 homes completed in the new year. As our largest redevelopment site in Lower Hutt, Eponi will see 153 homes constructed for the Wellington Region.

There has been significant engagement to ensure the community were informed of the upcoming development and had an opportunity to contribute to the design process. As a result, Kāinga Ora has developed strong relationships with the community, Eponi school and key community stakeholders such as Hutt City Council, DIA, Regional Public Health, Police, HCC, MSD and Takiri Mai te Ata Whānau Ora Collective. These relationships are pivotal in supporting our customers settle into their new homes and community.

Our Eponi development has also led to further partnership opportunities with Hutt City Council and Takiri Mai te Ata Whānau Ora Collective. In September 2024, Kāinga Ora sold a portion of the site to the Council's housing development agency Urban Plus. Construction on the site is scheduled to start in early 2025 and will see the delivery of 30 affordable townhouses for the region. We will also be working alongside local social services provider, Takiri Mai te Ata Whānau Ora Collective to ensure our customers

have access to key services within their community when required.

<b>Contact Person:</b> Daniel Soughtton	<b>Position:</b> Deputy Chief Executive - Central	<b>Phone:</b> 9(2)(a)
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### 3. Updates for Hon Tama Potaka, Associate Minister of Housing

#### Ministry of Business Innovation and Employment (MBIE) Review of Compliance at Kāinga Ora of Tenancy Management Framework

In late July, Ministry of Business, Innovation and Employment (MBIE) National Manager for Compliance and Investigations advised Kāinga Ora that MBIE will undertake a review of the Kāinga Ora compliance activity. MBIE will be seeking to gain an understanding of the size and scale of Kāinga Ora operations, its operating model that informs the tenancy management framework, and associated policies and guidelines; and necessary paperwork under the Residential Tenancies Act (RTA), like tenancy agreements.

A key focus is likely to be on consistency across all regions. MBIE has indicated it will use the policies, process documents and data to gain a level of confidence, and where available will also ask to see live examples.

Areas of interest for the review include:

- Healthy Homes programme and results, appropriateness of any exemptions
- Property inspections
- Maintenance
- Disruptive behaviour/quiet enjoyment approach
- Rent arrears approach.

Following recent discussions with MBIE, we understand that around four people from MBIE will spend up to four days in Kāinga Ora offices. This was initially planned for November 2024 but will now take place early 2025.

<b>Contact Person:</b> Nick Maling	<b>Position:</b> General Manager – National Services	<b>Phone:</b> 9(2)(a)
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#### Petition of Nola Blainey

The Social Services and Community Committee reported back on 14 November 2024 on the petition of Nola Blainey about our developments in Kerikeri. The committee consider, on balance, that Kāinga Ora engaged in an adequate amount of consultation, considering that sensitive commercial arrangements restricted its ability to consult. While it acknowledged the petitioner's concerns about maintaining the character of Kerikeri, the committee recognised that the district urgently needs more housing.

The committee notes that during its consideration of this petition, Kāinga Ora announced that it is putting some of its social housing projects in Northland on hold while the agency reassesses its future building plans. All projects due to be completed after mid-2025 are on hold. The planned project at 115 Kerikeri Road, which the petition is about, is one of those that has been paused. It hopes that the new spatial plan, due to be adopted early next year, will address the needs of the Kerikeri and Waipapa communities and lay a clear path for future developments.

The committee heard from the petitioner Nola Blainey, Kerikeri Retirement Village, Kāinga Ora and the Far North District Council.

<b>Contact Person:</b> Greg Grousky	<b>Position:</b> DCE, Government and Sector Relationships	<b>Phone:</b> 9(2)(a)
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## 4. Summary of papers sent

Paper	Purpose
<b>Kainga Ora Reset Plan</b>	This paper responds, following a recommendation in the Independent Review of Kāinga Ora, to Cabinet agreement that the new Kāinga Ora Board develop a credible and detailed plan to improve financial performance with the goal of eliminating losses.
<b>Ad Hoc</b> Kainga Ora Heritage Listings GSR-24-17913	This paper responds to the request from your office regarding heritage listings of Kāinga Ora properties.
<b>Ad Hoc</b> Rent Debt GSR-24-17309	This paper provides an overview of the operational policy settings Kāinga Ora is intending to implement in situations where tenants get into rental debt, and the method and rationale for forgiveness of uncollectable debt owed by Kāinga Ora tenants with high rent arrears. It builds on previous advice regarding actions to reduce tenant rent debt, provided to Ministers on 25 June 2024 [AH 24 042].
<b>Briefing</b> Approval to Transfer Land for Development in Avalon, Lower Hutt GSR-24-17572	This briefing seeks approval to transfer Crown-owned a small tract of Crown-owned land from the Ministry of Education to Kāinga Ora – Homes and Communities for \$1 (incl. GST) in Avalon, Lower Hutt.
<b>Ad Hoc</b> October Monthly Report to Ministers GSR-24-17802	This paper provides the October monthly report to Minister's

## 5. Upcoming advice to be delivered in the next month

9(2)(f)(iv)			

## 6. Kāinga Ora OIA requests

Reference number	Requestor	Type	Request summary	Minister(s)	To MO for	Response due
GSR-24-17671	Member of the Public	Public	<i>Statistics, Stock and Pipeline</i> Detailed information about housing properties in Rotorua	Hon. Chris Bishop	Not being provided	27/11/2024 extended
GSR-24-17864	Meg Stewart Ward	Media	<i>Administration</i> CE and Board discussions	Hon. Chris Bishop, Hon. Nicola Willis	Noting FYI	27/11/2024
GSR-24-17870	Member of the Public	Public	<i>Staff</i> Non-funding of staff end of year celebrations	Hon. Chris Bishop	Not being provided	27/11/2024
GSR-24-17872	Katie Bradford	Media	<i>Vacant Homes</i> Vacant sites and cost of security	Hon. Chris Bishop	Noting FYI	27/11/2024
GSR-24-17878	Ohakune Ratepayers and Residents Society Inc	Interest Group	<i>Developments</i> All costs associated with Teitei Drive to date	Hon. Chris Bishop	Not being provided	29/11/2024
GSR-24-17888	Member of the Public	Public	<i>Developments</i> Dixon Street Flats - book value, purchase price, building condition	Hon. Chris Bishop	Not being provided	02/12/2024
GSR-24-17819	Member of the Public	Public	<i>Staff</i> Metrics for Internal Restructures	Hon. Chris Bishop	Noting FYI	03/12/2024 extended

GSR-24-17715	Member of the Public	Public	<i>Building Innovation</i> HDS - data for KPMG reports	Hon. Chris Bishop	Not being provided	04/12/2024 extended
GSR-24-17525	Member of the Public	Public	<i>Developments</i> Compliance information about 115-120 Oxford Tce Lower Hutt	Hon. Chris Bishop	Not being provided	06/12/2024 extended
GSR-24-17914	Ethan Manera	Media	<i>Developments</i> Dixon St flats - Refurbishment details incl business cases, assessments, architectural details	Hon. Chris Bishop	Not being provided	06/12/2024
GSR-24-17926	Member of the Public	Public	<i>Building Innovation</i> Payments to Build Partners Limited	Hon. Chris Bishop	Not being provided	09/12/2024
GSR-24-17968	Member of the Public	Public	<i>Building Innovation</i> Cost of HDS and traditional models of construction	Hon. Chris Bishop	Noting FYI	12/12/2024
GSR-24-17650	Ben Leahy	Media	<i>Statistics, Stock and Pipeline</i> Projects cancelled, paused, planned, consented or in construction	Hon. Chris Bishop	Noting FYI	16/12/2024 extended
GSR-24-17804	Member of the Public	Public	<i>Procurement</i> Procurement of Daum&Co.	Hon. Chris Bishop	Noting FYI	16/12/2024 extended
GSR-24-17995	Meg Stewart Ward	Opposition	<i>Disposals</i> Asset recycling or sales of housing stock	Hon. Chris Bishop	Not being provided	17/12/2024

## 7. Ministerial OIA requests

Reference number	Requestor	Topic	Date due to Minister's Office	Date due to requestor
GSR-24-17889	Member of the Public	<i>Administration</i> Request for briefings: GSR-24-17724 and GSR-24-17673	25/11/2024	25/11/2024



10/12/2024

## 8. Upcoming completed homes opportunities

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