Kāinga Ora
Homes and Communities

August 2026

Revised plans for Arlington development

Kāinga Ora is proposing to deliver 104 new state homes at its Arlington development in the heart of Wellington, boosting social housing in the city centre.

The revised plan responds to demand for both one-bedroom and larger family homes in central Wellington and includes:

- 55 one-bedroom and 37 two-bedroom apartments in a seven-storey building
- 12 four-bedroom terrace homes
- A community room for residents

The plan depends on Wellington City Council approving a variation to our existing lease on the land. The Council expects to consider this in late September following a public consultation process. It is also subject to the approval of a detailed investment case by the Kāinga Ora Board and Ministers and the necessary building and resource consents.

Should these be approved, construction is expected to begin in late 2027 and finish in late 2029. The development will be funded through the Kāinga Ora renewals programme, which reinvests proceeds from the sale of older homes into new and improved social housing.

We are unable to release the estimated cost of the proposed new development. Once approved, we will run a competitive tender process to select a contractor so it would be inappropriate for us to release expected costs until after that process is complete. However, we can confirm that we are expecting it to cost significantly less than the original project. This will be reconfirmed through the detailed investment case to ensure the proposal is sound and affordable.

The following Q&A provides the background to the Arlington development and further information on the revised plan and next steps.

When did Kāinga Ora acquire the Arlington site and what were the original plans?

In 2019, Kāinga Ora (then Housing New Zealand) signed an agreement with Wellington City Council to lease the Arlington site for 125 years at a cost of $1 million and to deliver at least 230 social, affordable and supported homes. The agreement became active in 2020.

In October 2021, the Kāinga Ora Board approved plans for 301 social housing units on the site at a cost of $296 million.

What made you rethink that plan?

The Arlington project was paused in 2023 when escalating construction costs made the original proposal financially unfeasible. Under the initial plan, each home would have cost more than $1 million to build.

Why has it taken so long to develop a revised plan?

Several options for the site were explored to ensure investment represented value for money while still delivering social housing in central Wellington. The revised plan balances these objectives.

What work has already been done on the site?

The former housing complex has been demolished, and civil works have been completed to prepare the site for development. This included complex decontamination work, service connections, and piled foundations for one building.

These foundations will be reused for the new Kāinga Ora building, subject to planning and building consents. The works completed to date will also enable construction to begin sooner.

Kāinga Ora will only develop part of the site. What will happen to the rest?

Kāinga Ora will work with Wellington City Council on options for the remaining land. This may create opportunities for housing to be developed by private developers, community housing providers or affordable housing providers.

How will the development be funded?

Kāinga Ora is undertaking the most significant upgrade of its older homes ever seen in New Zealand. This includes selling some older homes that are no longer suitable for social housing and reinvesting the proceeds into new homes that are warmer, drier, the right size and in the right locations. The Arlington development will be funded through this approach, with no additional funding required.

How much has been spent on the Arlington development to date?

The total spend on the earlier project was $50.1million (GST inclusive), covering design work, construction, professional fees and associated development costs. Additional costs have been incurred in developing the revised plans. We are unable to release this information as it is commercially sensitive.

Kāinga Ora will build on foundations laid for the previous project, while other completed site works means it is development-ready. Works already completed that can be incorporated into the revised design equate to $10.9 million. The remaining expenditure will be written off.

The revised plan is a forward-looking proposal to deliver 104 homes at a significantly lower per-home cost than the previous plans for the site, while making use of foundations and site works already completed.

Is Kāinga Ora confident the project can be delivered within budget?

Current cost estimates have been tested by experts and will be reconfirmed through a detailed business case for approval by the Kāinga Ora Board and Ministers. It's expected to be presented to Ministers in early 2027.

We will use a standardised cost-efficient apartment design, which will help to reduce overall build costs and ensure we deliver the proposed project on budget.

Who will live in the Arlington development?

Kāinga Ora allocates homes to people on the Ministry of Social Development social housing register, carefully matching households to available properties based on their needs, including location requirements and the most appropriate housing typology.