

23 September 2025

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Thank you for your email dated 11 August 2025 requesting the following information from Kāinga Ora – Homes and Communities under the Official Information Act 1982 (the Act) :

Can I please request how much money Kainga Ora has spent on the sites for proposed state house development on Church Street and Rugby Street, Palmerston North. Can this please be itemised as best as possible, including purchase prices? And do these developments have a start date for work building houses? If so, when?

On 8 September 2025 we also extended the timeframe to respond your request by 10 working days under section 15A(1)(b) of the Act, due to the large amount of information potentially in scope and to allow for further consultation.

Your request has been discussed with relevant staff and responses have been provided in the table below.

Development costs as at 31 July 2025*		
	Spend	Total
Church Street	Professional Fees	\$1.74m
	Council & Infrastructure	\$0.38m
	Tenant related	\$0.00m
	Demolitions	\$0.42m
	Site Works	\$0.04m
	Land Purchases	\$6.71m
	Church Street Total	\$9.30m
Rugby Street/Raleigh Street	Professional Fees	\$1.52m
	Council & Infrastructure	\$0.85m
	Tenant related	\$0.18m
	Demolitions	\$0.41m
	Land Purchase	\$0.52m
	Rugby Street/Raleigh Street Total	\$3.48m

* Table excludes capitalised overheads as they are considered internal cost allocations rather than cash spend.

The 0.3541-hectare site at 512–518 Church Street, Palmerston North, was originally purchased over two sites in December 2020 and December 2022 for redevelopment into social housing.

Working with industry consultants, we prepared plans and designs for 63 homes — 39 apartments and 24 duplexes. The site contained 14 older houses that needed to be cleared before construction could begin, and we worked with the Council to secure resource consent.

At Rugby and Raleigh Streets, a large 1.097-hectare site on land already owned by Kainga Ora, plans were for 59 new social homes — 30 apartments and 29 houses. This development required significant urban design input to obtain resource consent and included the demolition of 10 older homes on the site.

Following a thorough review of the plans and rising costs, we have decided not to progress with the developments on these sites as originally planned. We are taking a financially responsible approach and are now considering alternative options for the future of the sites. We will keep local communities updated as decisions are made.

You can find more information about the Government's plan for Kāinga Ora and regional delivery targets on our website at:

- https://kaingaora.govt.nz/en_NZ/publications/minister-publications/ministers-letter-of-expectation/
- https://kaingaora.govt.nz/en_NZ/news/kainga-ora-takes-next-step-in-financial-reset/.

Please note that Kāinga Ora proactively releases our responses to official information requests where possible. Our response to your request may be published at <https://kaingaora.govt.nz/publications/official-information-request/> with your personal information removed.

Yours sincerely



Caroline McDowall

General Manager - Housing Delivery