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Purpose of this document

This Statement of Performance Expectations is a public accountability document required under sections 149C and 149E of the Crown Entities Act 2004.

It outlines what we will deliver in 2026/27 and how we will measure our progress. It also enables our responsible Ministers to participate in setting the 2026/27 performance expectations for Kāinga Ora, informs Parliament of those expectations and provides a base against which our actual performance can be assessed at year end.

The Statement of Performance Expectations is a partner document to our Statement of Intent 2025/26–2028/29, which outlines our strategic intentions for these financial years. Our Statement of Intent can be found at www.kaingaora.govt.nz.

Our Statement of Performance Expectations for 2026/27 has been informed by:

- our [organisational strategic approach](#)
- our Ministers’ priorities and expectations.

Legislation driving our work

The Kāinga Ora – Homes and Communities Act 2019 and Urban Development Act 2020 set out the key functions of Kāinga Ora and the operating principles we follow when carrying out those functions.

Our legislation	Enables us to:
<ul style="list-style-type: none"> • Crown Entities Act 2004 • Kāinga Ora–Homes and Communities Act 2019 • Urban Development Act 2020 • Residential Tenancies Act 1986 • Public and Community Housing Management Act 1992 	<ul style="list-style-type: none"> • Allocate and rent social housing properties to people who need them most, based on income-related rent • Provide tenancy services and act as a responsible landlord • Maintain and manage existing social housing • Build, acquire and redevelop social housing • Lease properties to other housing providers • Facilitate urban development (including selection and assessing of potential Specified Development Projects and land acquisition powers)

In February 2025, the Kāinga Ora Reset Plan was announced, providing a renewed focus on delivering greater value for New Zealanders. Kāinga Ora completed its Reset Plan in December 2025, delivering improvements to financial sustainability and organisational performance and a focus on its core role as a social housing landlord. Remaining matters have been transitioned into forward business planning.

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Foreword | Kupu whakataki

The purpose of Kāinga Ora is to build and manage quality social housing for New Zealanders who need it most – being a responsible landlord who looks after its tenants and homes and contributes positively to communities. In 2026/27, we remain focused on this core mission while continuing to build a consistently high-performing, accountable organisation that delivers value for every public dollar we use.

This Statement of Performance Expectations sets out what we will deliver in 2026/27 and how we will measure progress – for Ministers, Parliament and the public.

From reset to transformation: embedding sustainable change

Over the past 2 years, Kāinga Ora has undertaken a substantial reset to bring its focus back to its core role as a social housing provider and restore financial sustainability. The Reset Plan, announced by the Minister in February 2025, provided a clear mandate for change and a renewed focus on delivery, value for money and stewardship.

The Board's priority has been to ensure the gains from the Reset Plan are embedded and enduring. We have seen meaningful progress across tenancy management, portfolio enhancement and build performance and in reducing operating costs while we continue to invest in renewals and upgrades across the country. We have also strengthened the cadence and transparency of our

reporting through public scorecards and clearer measures of what matters to tenants, communities and taxpayers.

The Reset Plan was closed out in December 2025. The next phase is organisational transformation. This Statement of Performance Expectations supports a shift to a simpler and more predictable organisation. This phase is about delivering our strategy by making deliberate choices on the major shifts needed to bring our strategy to life. This requires a disciplined redesign of our systems, ways of working and management practices. It will not be change for the sake of change. It will be purposeful transformation: for our future, for our tenants and for our people. Through this work, we aim to fully restore public confidence that Kāinga Ora delivers great outcomes for tenants and value for money for taxpayers.

A clear focus on tenants and communities and a strong social landlord model

As the country's largest social landlord, supporting around 200,000 tenants and whānau, our work starts with safe, warm, dry homes and services that help tenants live well. Recent results show real progress – reducing disruptive behaviour, fewer tenants in rental debt and better engagement with support agencies. Tenant satisfaction rates across various measures are also improving, including more people feeling safer in their homes and communities. Safer, more stable neighbourhoods are essential to the wellbeing of our tenants and the wider communities we serve.

Tenants have been at the heart of every decision made through the Reset, and that’s our ongoing commitment for 2026/27. We want to make it easier for tenants to know what support is available, helping households regain stability after challenging periods and ensuring our homes provide places to enhance their wellbeing.

Delivering and renewing homes – efficiently and where they are most needed

Alongside our day-to-day tenancy services, we remain focused on renewing and maintaining our homes so that the portfolio remains fit for purpose for decades to come. This means prioritising maintenance and renewals, delivering new homes and upgrades and making disciplined investment choices – including pausing or reshaping projects that no longer meet financial sustainability metrics or align with demand.

In 2026/27, our approach will remain grounded in discipline: standardising where appropriate, strengthening procurement and applying lessons from the Reset to lift productivity and reduce unit costs without compromising quality. This is how we will deliver a programme that is more predictable, cost-effective and aligned to where housing need is greatest.

Technology modernisation: enabling better services and better decisions

Modern, reliable technology is essential to the transformation ahead. In December 2025, our Technology Modernisation business case received in principle support from the government.

In 2026/27, we will make material progress against our roadmap for modernising the systems that support better service for tenants, stronger stewardship of our portfolio and more informed decision making. This includes enhancements to our Housing Delivery System and asset management capabilities. Building on this, we will also get underway with modernising the system and data platforms that underpin tenancy management, maintenance, portfolio performance, case management, data integration and visibility of risk and need across homes, tenants and neighbourhoods.

Over the coming years, we will expand digital channels where they make it easier for tenants and partners to interact with us and will maintain frontline support for those who need it. Automation will be introduced where it improves timeliness and accuracy, supported by strong privacy and security settings. Together, these changes will equip our people with better tools and give our partners greater confidence in the information and decisions we provide.

Technology investments will be governed with a clear value-for-money objective, prioritising initiatives that improve service responsiveness, delivery predictability and operational efficiency alongside transparent reporting of progress.

Financial sustainability and accountability

Kāinga Ora manages one of the government’s most significant asset portfolios, with a housing and land portfolio valued at more than \$46 billion. That scale brings an obligation to be exceptionally disciplined. Over the past year, we have taken steps to reduce operating costs, tighten operating performance and improve our overall financial management and trajectory.

Our commitment to transparency and accountability will continue to underpin the way we operate and report. This Statement of Performance Expectations sets out the performance measures we expect to be held to in 2026/27, and we will continue to provide Ministers and the public with clear reporting on progress, risks and delivery on a quarterly basis.

Looking ahead

The Board is proud of the progress the organisation has made through the Reset but recognises there is still work to do. Our commitment for 2026/27 is to continue strengthening Kāinga Ora as a reliable, high-performing organisation that is focused on tenants, disciplined in delivery, rigorous about value for money and modern in the way we use technology to deliver better outcomes.

On behalf of the Board, we thank Kāinga Ora staff and our partners across the housing system for their continued engagement. The work is demanding and often complex, but it matters – for the wellbeing of tenants and whānau, for safer communities and for the stewardship of a major public asset on behalf of all New Zealanders.

Noho ora mai



Chair

Simon Moutter

30 June 2026



Deputy Chair

Jenn Bestwick

30 June 2026

Who we are | Ko wai mā mātou

Our role | Te wāhi ki a mātou

Kāinga Ora was established as a Crown agent (for the purposes of the Crown Entities Act 2004) on 1 October 2019 under the Kāinga Ora – Homes and Communities Act 2019. Kāinga Ora is a social housing provider and can facilitate urban development, including powers under the Urban Development Act 2020.¹

We are the largest residential landlord in New Zealand with a total portfolio of approximately 78,000 homes. We currently provide housing for over 200,000 tenants and their whānau across the country. Included in our portfolio are almost 4,000 supported homes and a further 900 homes that have been leased since 2020 by Te Āhuru Mōwai, the community housing arm of Ngāti Toa in Porirua.

Our role is to be a good landlord who looks after our tenants, a good neighbour who engages well with the community and a fair, rational and common-sense asset manager who spends money wisely to get the right housing to the people who need it.

To deliver the government’s housing priorities, we partner with others, including councils, government agencies, local government, Māori, iwi and hapū, infrastructure providers, private developers and community housing providers.

Our actions are underpinned by our organisational values and our commitment to the Treaty of Waitangi | te Tiriti o Waitangi and its principles. Our relationship with the Treaty of Waitangi is established by legislation and means we recognise and respect the Crown’s responsibility to consider and provide for Māori interests.

¹ The Urban Development Act provides Kāinga Ora with ways of planning and funding complex or challenging urban development through the Specified Development Project process along with powers of land acquisition for the purposes of urban development.

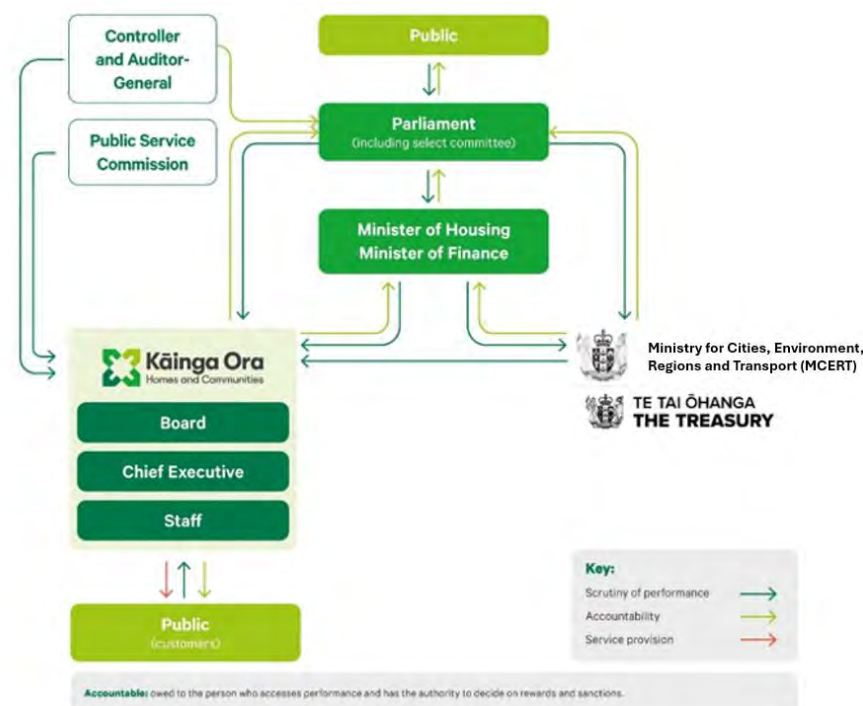
Our governance | Tō mātou whakaruruhau

Our responsible Ministers are the Minister of Housing and Minister of Finance. Kāinga Ora is monitored by the Ministry for Cities, Environment, Regions and Transport (MCERT) and the Treasury.

We are governed by a Board appointed by the Minister of Housing and the Minister of Finance.

As a Crown agent, Kāinga Ora must give effect to government policy when directed by the Minister of Housing and must comply with directions to support the whole-of-government approach made by the Minister for the Public Service and Minister of Finance.

Figure 1 – Kāinga Ora governance, accountability and scrutiny relationships



Our strategic framework | Tō mātou anga rautaki



Connecting our strategic objectives and outputs | Te tūhono i ā mātou whāinga rautaki me ā matou putanga


Our strategic framework is set out in our Statement of Intent 2025/26–2028/29.

Our strategic framework and the Statement of Intent enable us to deliver on our core social housing mission for government so we can achieve our vision for the future: **Building better, brighter homes, communities and lives**. We will drive our work forward, and our performance framework will measure and report our progress and accountability to New Zealanders.

Our strategic framework shows how we measure progress towards achieving our vision and how our objectives and outputs support us in doing so. Our four strategic objectives outline what Kāinga Ora will do to realise our core mission and achieve our vision for the future.

Our four output classes represent the core activities we undertake. Our output measures contained in this Statement of Performance Expectations demonstrate how our annual activities contribute to delivering on our objectives.

Activities associated with our four output classes contribute towards achieving our **four strategic objectives**.



Our services

Objective 1: We will adapt to the changing needs of our tenants by refining our tenancy service model

What we seek to achieve:

- More effective management services so that tenants get the services they need, when they need them.
- We build a better understanding of tenants who are facing health and social challenges that put their tenancies at risk.
- Tenant satisfaction with our services is sustained at high levels.



Our homes

Objective 2: We will enhance the condition and utilisation of our homes

What we seek to achieve:

- Our tenants live in good-quality, warm, dry and healthy housing.
- Our homes are maintained to the right standard to sustain healthy outcomes for our tenants and safeguard our rental income.
- We achieve cost and time savings by streamlining the way we deliver maintenance and repair services.
- When our tenants' needs for housing change, we have good options to transfer them to other homes that better meet these needs.



Our housing portfolio

Objective 3: We will respond to tenant needs by actively reconfiguring and renewing our homes

What we seek to achieve:

- Our homes meet modern living standards that support the best possible outcomes for our tenants, including warmth, dryness and safety.
- Our housing portfolio reflects demand for different types of homes in different locations across the country, within our funding settings.
- Our large-scale redevelopment projects enable improved infrastructure capacity resulting in increased housing supply, including renewed social housing and better utilisation of landholdings.
- Our build programme delivers value for money for the government and the homes we build are financially sustainable for Kāinga Ora to maintain and manage into the future.
- Our homes are resilient to climate change and contribute to New Zealand's carbon-reduction targets.



Our organisation

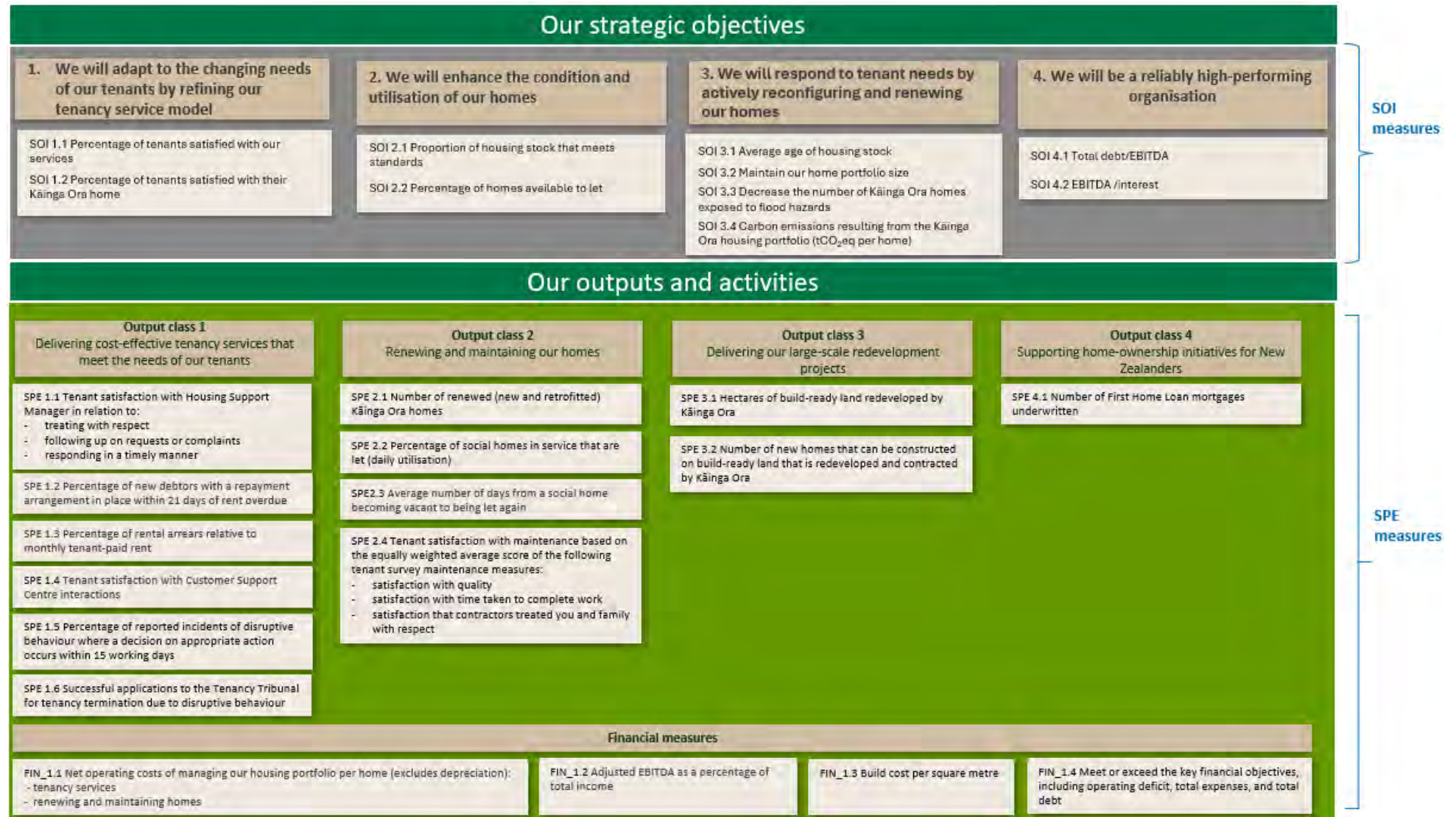
Objective 4: We will be a reliably high-performing organisation

What we seek to achieve:

- We foster a strong, responsive and high-performing organisational culture that enables us to build trust and deliver our core housing products and services efficiently and effectively.
- We build trust and strengthen our ability to deliver quality social housing that aligns with government direction and is financially sustainable over the long term.
- Our mid-term operational and capital savings contribute to our long-term financial sustainability.
- We deliver our agreed renewal commitments while staying within the approved debt protocol limit set by government.

Our performance framework illustrates how the measures contained in our Statement of Intent 2025/26–2028/29 connect with the SPE measures presented in this document.

Figure 2 – Kāinga Ora performance measurement framework



Transforming for our future | Te whakaumu i tō tātou noho hei ngā rā kei mua

Building on the momentum of the Reset, we are now moving into a deliberate, organisation-wide transformation that strengthens how Kāinga Ora works for our tenants, our people and our communities. The Reset required tough choices and rapid cultural change. Our focus now is long term: aligning our people, processes and technology so we can deliver consistently, sustainably and at our best.



This means clearer expectations, simpler and more standardised ways of working, modern tools that enable our teams and a stronger partnership approach with Māori and across our communities.

The following sections outline the key components of this transformation – our technology modernisation programme, our enterprise-wide transformation approach, investing in our people and culture, strengthening climate resilience and delivering stronger outcomes for Māori through partnership and practice.

High-performing people and inspiring culture

In 2026/27, we will continue strengthening our organisational capability so Kāinga Ora is well positioned to deliver for our tenants and communities in a complex and changing environment. Our focus is on building a skilled and confident workforce, supported by strong leadership and an inclusive culture that reflects our values of *Manaakitanga*, *Mahi Tahi* and *Whanake*.

We are improving how we plan for, grow and support our people so they have the right skills for today and the future. This includes using a clear capability framework to guide recruitment, development and performance and ensuring we have strong succession plans in place for our most critical roles. We are also investing in consistent, effective leadership across the organisation, including strengthening capability in te ao Māori, so our people feel supported and confident in their work

We are lifting the consistency and quality of performance management by setting clear expectations and giving people regular feedback. A more consistent performance system, supported by better ways of recognising strong performance, will help improve the reliability of our work. As our operating model

becomes embedded, clearer decision making and better visibility of team capacity and skills will reduce duplication, improve coordination and support more consistent service for tenants.

We are continuing to build a positive, inclusive culture where people feel they belong and do their best work. Through the Building Belonging programme and other culture initiatives, we are reinforcing the everyday behaviours that underpin great service – treating people with respect, working well together and creating an environment where it is safe to speak up and contribute.

What success will look like

While full measurement maturity will be developed over time, future success will be demonstrated by:

- high alignment of roles to the capability framework and targeted development
- strong succession coverage for critical roles and improved leadership effectiveness
- high completion of performance planning and check-ins, with reduced rework in decision processes
- increased inclusion and belonging, lower regretted attrition and faster time-to-hire for strategic capabilities.

More formal indicators aligned to these success attributes will be developed as our systems mature.

Transformation Programme

The Transformation Programme is our organisation-wide approach to improving how we work. It brings together our Kāinga Ora Strategy 2025–2035, changes to our operating model, capability development, system modernisation and performance management into one coordinated programme. The aim is to lift our performance and strengthen our long-term financial sustainability.



Our work follows three phases:

- **Reset:** Putting strong management controls and financial discipline in place, setting clear workstreams and delivering our agreed savings plan. As part of this phase, we developed a realistic, evidence-based plan that is now being delivered.
- **Transform:** Improving the way we operate through capability development, redesigned systems, better processes, modern technology and stronger delivery discipline.
- **Stabilise:** Embedding these improvements so they become business as usual and support ongoing, continuous improvement across Kāinga Ora.

Our focus for 2026/27

In the coming year, our work will centre on two core activities:

- Delivering the remaining components of our savings plan.
- Creating a clear 5-year roadmap that shows the key shifts needed to achieve our strategic objectives.

We are translating the Kāinga Ora strategy into a clear set of shifts (what needs to change) and how we will measure progress. This moves the strategy from high-level intent into practical actions that can be tracked over time.

This work will support the development of the change canvas, which will bring together all critical interventions in one place and clearly show how and when changes need to happen to deliver on our strategy. This includes savings initiatives, technology upgrades, top-up opportunities and work to streamline operations.

Using the change canvas, we will build a roadmap that sets out the order, timing and dependencies between each of the interventions. This will help us manage trade-offs and turn agreed changes into a practical, achievable plan.

Together, our strategy and change canvas will shape our roadmap and delivery plan for 2026/27 and beyond, positioning Kāinga Ora to deliver sustained performance improvement.

Technology modernisation programme

Modern, reliable technology is essential to lifting performance across Kāinga Ora and improving the services we provide to tenants and partners. Technology modernisation is a key enabler for true transformation.

Over the next 4 years, we will replace outdated systems with modern, integrated platforms across tenancy and asset management, corporate enablers (finance, human resources and procurement) as well as asset delivery and data and analytics. Our people will have better tools and improved access to real-time data to support smarter decision making. Processes will be simpler and more cost-effective to run. The modernised technology landscape will also enable more seamless data exchange and service interfaces with other government agencies.

For our tenants, new and improved digital self-service options will make it easier to interact with Kāinga Ora while still maintaining the frontline support needed for tenants who prefer or require in-person assistance.

We are progressing a coordinated implementation of platforms and partners across the areas of:

- core housing management
- enterprise resource planning (ERP)
- asset delivery data and insights.

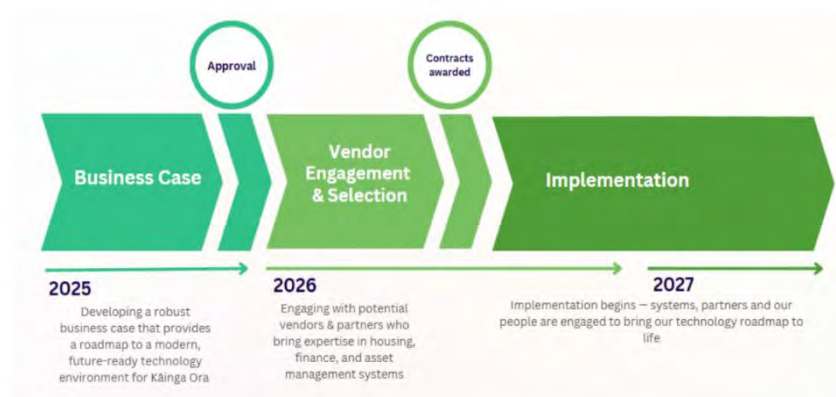
Our focus for 2026/27

In 2026/27, our focus will be on setting the conditions for successful delivery as we shift from programme establishment into the disciplined, phased implementation of core technology platforms. This includes embedding foundational capabilities and ensuring delivery aligns with Kāinga Ora reset priorities. Emphasis will be placed on strong governance, assurance, organisational readiness and clear sequencing to support value-for-money delivery and a roadmap beyond initial implementation.

By the end of 2026/27, foundational components of the Core Housing Management Platform are expected to be delivered, alongside completion of the HRIS component of the ERP. Implementation of the remaining ERP components (Finance and Procurement) will be underway, in parallel with the implementation of the Data and Insights Platform.

These activities will shape the implementation roadmap for replacing our core systems, which is expected to begin from August 2026 and continue progressively over the following 4 years.

Figure 3 – 2026/27 programme phasing



Strengthening climate resilience across our housing portfolio

We recognise the need to both mitigate and adapt to the impacts of climate change, and our forward work programme reflects this commitment. Kāinga Ora aims to reduce the number of homes exposed to flood hazards and lower carbon emissions across our housing portfolio, with these priorities embedded as core long-term measures of success in our Statement of Intent 2025/26–2028/29. Increasing weather and climate risks mean we will continue to reconfigure, renew and better locate homes, strengthening the long-term resilience of our portfolio. We are also actively progressing a low-carbon concrete initiative, which has the potential to reduce the total construction footprint by around 6%, with work continuing into 2026/27.

Delivering stronger outcomes for Māori through partnership and practice

We are committed to supporting Māori housing outcomes, recognising that around one-third of our social housing tenants identify as Māori. Our Te Kurutao Group supports Kāinga Ora to fulfil its express statutory duties to recognise and provide for Māori interests as set out in the Kāinga Ora – Homes and Communities Act 2019 as well as supporting how we plan and carry out urban development. A key enabler will be the implementation of the Ora Framework, delivering targeted interventions that support Māori tenants' wellbeing.

In the year ahead, Te Kurutao will work alongside our place-based teams to continue to build strong and trusted relationships with iwi and rōpū Māori, as an asset owner and developer, with the aim of supporting Māori tenants and their whānau. Te Kurutao will lead engagement with Māori enabling meaningful participation in our urban development activities. Where commissioned, we will also explore iwi and rōpū Māori investment opportunities in housing supply and support government initiatives such as MAIHI Ka Ora – the National Māori Housing Strategy.

Across our work, we will continue to use Māori models of health and wellbeing, uphold te Tiriti o Waitangi and right-of-first-refusal responsibilities when developing and selling land and support partnerships with Māori housing providers to deliver fit-for-purpose homes and unlock whenua Māori for development.

We will develop and implement an organisational framework that demonstrates how Kāinga Ora gives effect to its relationship agreements and Treaty accord settlement obligations.

Work is presently underway with support from Te Puni Kōkiri to strengthen Kāinga Ora's own statutory Māori and Treaty obligations, including right-of-first-refusal compliance, consistent with He Korowai Whakamana framework.

Health and safety

Kāinga Ora will maintain a safe and healthy workplace for employees, contractors and visitors to its workplaces by meeting its obligations under the Health and Safety at Work Act 2015. This will be achieved through effective governance oversight, regular risk identification and monitoring, engagement with our people and timely response to incidents and hazards.

Measuring our performance | Te ine i ā mātou whakatutukitanga

Our performance framework helps us measure progress, monitor results and show how our daily activities contribute to the strategic objectives we aim to achieve.

This section outlines our key areas of work (output classes), how we will measure performance and a breakdown of our expected revenue and planned spending for each area in 2026/27. When read alongside our Statement of Intent 2025/26–2028/29, which sets out our medium-term goals, this information provides a clear picture of our progress and commitment to achieving results.

We will submit quarterly reports to Ministers on our service delivery and financial performance, and these reports will be proactively released publicly.

Our selected external performance measures for 2026/27 have been developed in accordance with Public Benefit Entity Financial Reporting Standard (PBE FRS) 48 *Service Performance Reporting*.

Appendix 1 discloses our judgements regarding changes to output class performance measures.

Output class 1: Delivering cost-effective tenancy services that meet the needs of our tenants

Our role under this output class

Our core role is to establish and manage social housing tenancies while ensuring tenants meet their responsibilities. We make sure our homes meet tenants' needs and that tenants feel well supported to manage their tenancy with us and live well in their home.

Link to strategic objectives








Our focus in 2026/27


In the year ahead, we will focus on the fundamentals of being a responsible social housing landlord. This means we will:

- support tenants through challenges while ensuring they meet their responsibilities
- match tenants with the right type of home in the right place
- proactively address disruptive behaviour to create safer, more stable communities
- provide more effective tenancy management services so that tenants get the services they need, when they need them.

How we will assess our performance in 2026/27

Ref	Actual 2024/25	Measure	Our influence	Target 2025/26	Forecast 2025/26	Target 2026/27
1.1	78%	Tenant satisfaction with Housing Support Manager in relation to: <ul style="list-style-type: none"> treating with respect following up on requests or complaints responding in a timely manner 	 Medium	75–85%	80%	75–85%
Why this matters: Positive interactions and efficient resolution of issues contribute to a better overall housing experience for tenants. This measure is important to understand the success of our tenancy services.						
1.2	90%	Percentage of new debtors with a repayment arrangement in place within 21 days of rent overdue	 High	≥85%	90%	≥85%
Why this matters: This measure indicates we are proactively engaging with tenants as soon as they fall behind in rent to establish a payment arrangement that is both manageable and sustainable to the household. This helps tenants develop positive financial habits, reduces the risk of long-term arrears and supports their journey towards greater housing independence.						
1.3	13.5%	Percentage of rental arrears relative to monthly tenant-paid rent	 High	11%	6%	6–8% ²
Why this matters: Keeping tenant rent debt below the target amount supports the development of good payment habits, helping tenants build financial independence. This will better prepare them to sustain housing outside of the social system and supports the long-term sustainability of social housing for future tenants.						
1.4	81%	Tenant satisfaction with Customer Support Centre interactions	 Medium	75–85%	90%	75–85%
Why this matters: This measure assesses the quality and ease of our interactions with our tenants.						
1.5	96%	Percentage of reported incidents of disruptive behaviour where a decision on appropriate action occurs within 15 working days	 High	≥90%	99%	≥90%

² This measure has been updated from reporting rental arrears as an absolute dollar amount to reporting arrears as a percentage of tenant-paid rent, which provides a more consistent and meaningful way to assess performance over time. The 2026/27 target of 6–8% is equivalent to approximately \$3.3–4.4 million in rental arrears compared to the previous \$6 million target set for 2025/26.

Ref	Actual 2024/25	Measure	Our influence	Target 2025/26	Forecast 2025/26	Target 2026/27
Why this matters: As a landlord, we actively address disruptive behaviour promptly and consistently under the Residential Tenancies Act. This measure indicates our timeliness of response to reported incidents of disruptive behaviour.						
1.6	77 successful out of 88	Successful applications to the Tenancy Tribunal for tenancy termination due to disruptive behaviour	 Medium	New measure	74 successful out of 82	Demand driven ³
Why this matters: This measure indicates the quality of our evidence gathering and advocacy when taking cases to the Tenancy Tribunal for tenancy terminations due to disruptive behaviour.						

³ Kāinga Ora will report to Ministers on the number of successful Tenancy Tribunal cases as a proportion of all cases taken.

Revenue and output expenses

Description	Actual 2024/25 \$m	Forecast 2025/26 \$m	Budget 2026/27 \$m	Comment
Revenue Crown	156	170	173	The revenue and expenses of this output class are in relation to management of the social housing portfolio. It includes a proportion of rent revenue and administration and tenant servicing expenses for social housing.
Revenue other	62	68	67	
Expenses	225	206	213	
Net surplus/(deficit)	(7)	32	27	
Capital investment*	3	0	4	

Output class revenue and expense tables may have rounding differences.

* Includes a share of corporate infrastructure capital spend.

Notes:

- Interest costs are spread across all our output classes in the same way corporate overhead costs are allocated.
- Revenue forecast for this output class is expected to improve in 2026/27 largely due to rent price inflation.
- Expenses are forecast to be at a lower baseline in 2025/26 and 2026/27 due to organisational change primarily in the support functions in the 2024/25 financial year, which resulted in lower corporate overheads allocation.

Output class 2: Renewing and maintaining our homes

Our role under this output class

Our role is to ensure our social and supported housing tenants have access to warm, dry and safe homes through good asset stewardship. This includes renewing and replacing our older properties and providing effective maintenance.

Link to strategic objectives







Our focus in 2026/27

In the year ahead, we will focus on our core mission of providing and managing state-owned social housing. This means we will:

- continue delivering new social housing to maintain the housing stock to around 78,000 by 30 June 2027
- renew ageing homes as part of our long-term goal that began in June 2024 to upgrade nearly 40,000 homes over the next 20–30 years
- optimise housing designs and maintenance processes to achieve significant cost savings while ensuring homes remain warm, dry and fit for purpose
- continue to focus on improving the cost-efficiency of maintaining and repairing our homes
- work hard to ensure our homes are available to let and can match what our tenants need, avoiding poor outcomes and additional wear and tear on our assets
- continue to reconfigure, renew and better locate homes, strengthening the long-term resilience of our portfolio.

How we will assess our performance in 2026/27

Ref	Actual 2024/25	Measure	Our influence	Target 2025/26	Forecast 2025/26	Target 2026/27
2.1	4,330 3,456 874	Number of renewed (new and retrofitted) Kāinga Ora homes: ⁴ <ul style="list-style-type: none"> New builds Retrofits 	 High	2,075–2,575 1,600–2,050 475–525	2,190 1,695 495	2,000 ±10% 1,600 ±10% 400 ±10%
Why this matters: Renewing our homes helps to improve the overall quality and longevity of our housing portfolio. Each renewal enables us to build the right type of home in the right place to meet tenant need and protects the value of social housing for future generations.						
2.2	98.2%	Percentage of social homes in service that are let (daily utilisation)	 Medium	≥98.0%	99.2%	≥98.0%
Why this matters: This measure shows how many of our available homes are tenanted. As this metric only evaluates homes that are available, the percentage is usually higher than the overall housing availability measure in SOI 2.2. A high utilisation rate means we are matching homes to Housing Register needs and moving tenants in quickly, helping more people into housing faster.						
2.3	30.2 days	Average number of days from a social home becoming vacant to being let again	 Medium	≤27 days	22 days	≤25 days
Why this matters: This measure tracks how quickly vacant homes are prepared and tenanted, ensuring efficient use of housing stock. Reducing turnaround times helps more families access stable housing sooner.						
2.4	83%	Tenant satisfaction with maintenance based on the equally weighted average score of the following tenant survey maintenance measures: <ul style="list-style-type: none"> satisfaction with quality satisfaction with time taken to complete work satisfaction that contractors treated you and family with respect 	 Medium	75–85%	88%	75–85%
Why this matters: This measure ensures maintenance services meet tenant expectations for quality, timeliness and respectful treatment. High satisfaction reflects well-maintained homes and strong tenant-contractor relationships.						

⁴ Kāinga Ora will report to Ministers on the number of renewed homes, disaggregated by social and supported housing types.

Revenue and output expenses

Description	Actual	Forecast	Budget	Comment
	2024/25	2025/26	2026/27	
	\$m	\$m	\$m	
Revenue Crown	1,382	1,532	1,569	Revenue includes a large portion of rent revenue for social housing. The expenses are in relation to maintenance and renewal of the social housing and supported housing portfolios. It includes all administration and maintenance expenses for social housing and both revenue and expenses for supported housing.
Revenue other	680	688	695	
Expenses	2,426	2,249	2,320	
Net surplus/(deficit)	(364)	(29)	(56)	
Capital investment*	2,418	676	829	

Output class revenue and expense tables may have rounding differences.

* Capital investment is net of asset recycling sales and includes a share of corporate infrastructure capital spend.

Notes:

- Interest costs are spread across all our output classes in the same way corporate overhead costs are allocated.
- Revenue Crown increase in 2026/27 is largely driven by rental income (net homes additions, price inflation and operating supplement).
- This output class includes primarily the costs involved in maintaining our homes and renewal of social housing and supported housing portfolios. While maintenance remains a major expense, these costs are expected to reduce over time as we achieve savings through the Asset Management and Maintenance Transformation Programme.
- The overall decline in expenses in 2026/27 compared to actual results in 2024/25 is largely due to lower repairs and maintenance costs (transformation initiatives), people costs and asset impairments (significant one-off write-downs in 2024/25).
- This is partly offset by higher interest costs (refinancing of debt at higher rates), depreciation costs (addition of new and retrofitted homes to our portfolio) and council rates (inflationary).
- In alignment with our funding settings, 2026/27 represents the scaling back of new construction activity and a significant reduction in net capital investment when compared to 2024/25 actual expenditure – period during which we were growing our housing portfolio.

Output class 3: Delivering our large-scale redevelopment projects

Our role under this output class

Our role is to facilitate and deliver urban redevelopment projects, including reshaping social housing neighbourhoods to significantly increase build-ready land. This includes delivering homes where they are needed to ensure an appropriate mix of social and market housing.

As outlined by the Urban Development Act, we will continue to facilitate Specified Development Projects if any opportunities are identified.

Link to strategic objectives





Our focus in 2026/27

In the year ahead, we will renew homes on our amalgamated land holdings in Auckland and Porirua through our large-scale redevelopment programme. This means we will continue the transformative work we have been doing in our six large-scale redevelopment projects as these have a large number of social homes in them.

Delivery in 2026/27 will be lower than in previous years as some projects have completed significant delivery while others are in the early or mid-redevelopment stage and will not complete until later years. We expect good progress in places like Oranga, Tāmaki and Māngere. Slower market conditions in some areas and limited capacity among build partners will also influence how much can be completed this year.

How we will assess our performance in 2026/27

Ref	Actual 2024/25	Measure	Our influence	Target 2025/26	Forecast 2025/26	Target 2026/27
3.1	15.2 hectares	Hectares of build-ready land redeveloped by Kāinga Ora ⁵	 High	≥18 hectares	35.3 hectares	9 hectares*
<p>Why this matters: We aim to increase land for housing supply through our urban redevelopment activities. This measure shows the increase in build-ready land, including land for community infrastructure and social amenity.</p>						
3.2	1,473	Number of new homes that can be constructed on build-ready land that is redeveloped and contracted ⁶ by Kāinga Ora	 High	≥787	1,011	510**

Why this matters: This reflects the number of homes that can be built based on either land sold to the market or ready for construction of social homes. Performance can be significantly influenced by the state of the housing market and economy.

* Infrastructure and land development work progresses over multi-year cycles, resulting in natural variability in annual hectares delivered. The 2026/27 year shows lower delivery than previous years as several major redevelopment projects are in early or mid-delivery stages, with completion expected in later years.

** The number of homes reflects the social housing renewal pipeline, with higher delivery in Oranga, Tāmaki and Māngere. The flatness of the housing market and capacity constraints for build partners mean lower delivery targets in 2026/27 than recent years

⁵ Performance is assessed per annum.

⁶ Land contracted refers to build-ready land either sold to the market (under a signed unconditional contract or licence to occupy) or ready for social housing construction.

Breakdown of large-scale urban development programmes (SPE 3.2)

Precinct	Type	Actual 2024/25	Forecast 2025/26	Target 2026/27
Eastern Porirua	Social	0	28	24
	Market	50	7	14
Eastern Porirua Total		50	35	38
Greenfields and Complex	Social	0	0	0
	Market	241	311	50
Greenfields and Complex Total		241	311	50
Māngere	Social	43	106	38
	Market	66	61	55
Māngere Total		109	167	93
Mount Roskill	Social	5	0	34
	Market	487	130	15
Mount Roskill Total		492	130	49
Northcote	Social	0	0	0
	Market	123	96	0
Northcote Total		123	96	0
Oranga	Social	0	15	92
	Market	62	15	65
Oranga Total		62	30	157
Tāmaki	Social	253	147	48
	Market	143	95	75
Tāmaki Total		396	242	123
Grand Total		1,473	1,011	510

Market and social housing mix

Across the large-scale urban development programme, around one-third of homes are expected to be social housing. The mix of social and market homes varies by precinct and year, reflecting the staging of redevelopment programmes, social housing renewal priorities and market delivery timing. Market homes also generate land sale revenue, which helps fund the delivery of social housing and supports the financial sustainability of the programme.

Revenue and output expenses

Description	Actual	Forecast	Budget	Comment
	2024/25	2025/26	2026/27	
	\$m	\$m	\$m	
Revenue Crown	97	16	22	The revenue and expenses of this output class relate to activities associated with urban development to increase the supply of build-ready land.
Revenue other	179	131	140	
Expenses	511	385	347	
Net surplus/(deficit)	(235)	(238)	(185)	
Capital investment*	237	197	159	

Output class revenue and expense tables may have rounding differences.

*Includes a share of corporate infrastructure capital spend.

Notes:

- Interest costs are spread across all our output classes in the same way corporate overhead costs are allocated.
- Large-scale projects (LSPs) support the delivery of urban development projects, including reshaping social housing neighbourhoods to increase build-ready land. LSPs account for the majority of the Kāinga Ora share of the Housing Acceleration Fund.
- Revenue and expenses in this output class largely relate to LSPs and are offsetting by nature with little impact on net deficit before tax (i.e. associated incomes and expenses will move up or down together).
- Net deficit before tax is expected to improve in 2026/27 compared to 2024/25 due to one-off asset impairment costs that incurred in the 2024/25 financial year.

Output class 4: Supporting home-ownership initiatives for New Zealanders

Our role under this output class

While a number of our supporting home-ownership products have either ceased due to changes in government priorities or have been transferred to other Crown entities, Kāinga Ora still provides some support to aspiring homeowners who would not otherwise be able to purchase their first home. We deliver three Crown products to facilitate home ownership and improve housing affordability:

- First Home Loan underwrite.
- Kāinga Whenua Loan facility.
- First Home Partner – a shared home-ownership scheme.

Although the scheme is now fully subscribed, we continue to work with the people who applied before it closed.

Our focus in 2026/27

We will continue to administer home loans on behalf of the Crown to support first-home buyers and manage ongoing partnerships under First Home Partner. This will include annual check-ins to confirm occupancy and support the gradual buy-back of the Crown's share in the property.

Link to strategic objectives



How we will assess our performance in 2026/27

Ref	Actual 2024/25	Measure	Our influence	Target 2025/26	Forecast 2025/26	Target 2026/27
4.1	3,085	Number of First Home Loan mortgages underwritten	 Low	Demand driven	4,113	Demand driven

Why this matters: This measure gauges the effectiveness of our efforts in facilitating home ownership for first-home buyers who can afford to make regular repayments for a home loan but are having trouble saving for a deposit. These insights are valuable for shaping affordable housing policy responses.

Revenue and output expenses

Description	Actual 2024/25 \$m	Forecast 2025/26 \$m	Budget 2026/27 \$m	Comment
Revenue Crown	19	4	4	The revenue and expenses of this output class are in relation to home-ownership products that are managed on the Crown's behalf.
Revenue other	11	12	12	
Expenses	20	6	6	
Net surplus/(deficit)	10	10	10	
Capital investment	-	-	-	

Output class revenue and expense tables may have rounding differences.

Notes:

- Interest costs are spread across all our output classes in the same way corporate overhead costs are allocated.
- Revenue and expenses in this output class are related to home-ownership products that Kāinga Ora manages on behalf of the Crown to support first-home buyers, which is mainly demand driven.

Financial performance information | Mōhiotanga whakatutukitanga ahumoni

Strong financial management and commercial stewardship have positioned Kāinga Ora well to deliver on government priorities, with a focus on strengthening core landlord functions, improving financial sustainability and supporting a more disciplined operating model.

The financial statements and metrics presented provide indicators of progress toward longer-term financial sustainability. Metrics have been selected to align with those an external analyst would typically use to assess financial performance and sustainability, including measures applied by credit rating agencies.

Financial sustainability and stewardship measures reflect Kāinga Ora's commitment to meeting approved financial targets. These measures are informed by agreed delivery volumes, cost assumptions and key financial settings, with all funding and financing remaining within approved limits.

Kāinga Ora is focused on delivering government priorities while maintaining service levels for tenants and continuing its asset renewal programme, with an emphasis on value for money. Cost reductions have been achieved through transformation initiatives, including improvements to the Housing Delivery System, asset management and maintenance, and workforce management.

Further savings initiatives are being implemented to support operational efficiency and maintain financial sustainability over the longer term.

How we will assess our performance in 2026/27

The following table reflects the key financial metrics assessing our financial sustainability position.

Ref:	Actual 2024/25	Measure	Target 2025/26	Forecast 2025/26	Target 2026/27
Fin_1.1	\$18,051	Net operating costs of managing our housing portfolio per housing unit (excludes depreciation)	\$18,523	\$16,321	\$16,783
	\$2,876	<ul style="list-style-type: none"> tenancy services 	\$3,006	\$2,627	\$2,715
	\$15,175	<ul style="list-style-type: none"> renewing and maintaining homes 	\$15,517	\$13,694	\$14,068
Why this matters: This measure tracks the cost of managing each home, ensuring resources are used efficiently to support tenants and maintain homes.					
Fin_1.2	36%	Earnings before interest, taxes, depreciation and amortisation (EBITDA) ⁷ as a percentage of total income	37%	45%	45%
Why this matters: This assesses our surpluses from operations. A higher percentage means we have more funds available to maintain and improve our housing services. A higher percentage also means we are better managing our costs to income.					
Fin_1.3	\$3,345 excluding GST	Build cost per square metre ⁸	\$2,980 excluding GST	\$2,900 excluding GST	\$2,900 ±5% excluding GST
Why this matters: Tracking construction costs ensures that each dollar spent is used efficiently and effectively. We aim to achieve greater savings in our construction methods, enabling us to deliver quality homes at a cost that aligns with market standards.					

⁷ For the purposes of this calculation, adjusted EBITDA excludes asset write-offs.

⁸ This measure relates to stand-alone houses only (it excludes apartments). Build cost per square metre is based on construction costs including foundations up, consistent with how this is generally discussed in public forums.

Ref:	Actual 2024/25	Measure	Target 2025/26	Forecast 2025/26	Target 2026/27
Fin_1.4	New measure	<p>Meet or exceed the budgeted key financial objectives. This includes:</p> <ul style="list-style-type: none"> • meet or reduce the annual operating deficit budget • at or below total expenses budget • within or below debt limit 	<p>Achieve</p> <p>Achieve</p> <p>Achieve</p>	<p>Achieve</p> <p>Achieve</p> <p>Achieve</p>	<p>Achieve</p> <p>Achieve</p> <p>Achieve</p>
<p>Why this matters: This measure reflects Kāinga Ora commitment to responsible financial management. Tracking performance against operating deficit, total expenses and total debt helps ensure we remain financially sustainable while continuing to deliver social housing effectively.</p>					

Financial performance

Revenue comes from	Actual 2023/24 \$m	Actual 2024/25 \$m	Forecast 2025/26 \$m	Budget 2026/27 \$m
Rental income from tenants	572	629	656	670
Rental income from income-related rent subsidies	1,281	1,505	1,681	1,720
Crown appropriation income	160	149	41	48
Sale of developments	230	172	112	137
Interest, realised gains and other income	187	131	131	107
Total revenue	2,430	2,586	2,621	2,682
Where revenue goes to	Actual 2023/24 \$m	Actual 2024/25 \$m	Forecast 2025/26 \$m	Budget 2026/27 \$m
Repairs and maintenance	623	475	387	377
Depreciation	439	498	514	521
Personnel	372	371	271	276
Interest expense	538	644	675	740
Rates	247	281	322	350
Cost of land sold	206	158	151	137
Third-party rental leases	57	56	53	52
Other expenses	392	304	258	280
Total expenses	2,874	2,787	2,631	2,733
Impairment, write-offs and loss on sales	(278)	(395)	(215)	(153)
Surplus/(loss) before tax	(722)	(596)	(225)	(204)

Capital investment

Capital additions	Actual	Actual	Forecast	Budget
	2023/24	2024/25	2025/26	2026/27
	\$m	\$m	\$m	\$m
Acquire existing	85	17	2	11
Redevelopment and acquire new builds	3,670	2,149	879	1,152
Upgrades and improvements	738	130	171	160
Infrastructure	23	1	2	14
Land development additions				
Land development activities (This represents our LSP land development activity that will result in future land sales.)	247	181	275	156
Total	4,763	2,478	1,329	1,493
Funded by				
Sale of rental properties and other property, plant and equipment	10	56	462	502
Net borrowing /(debt repayment)	4,229	902	(557)	(290)
Cash and short-term investments on hand	(114)	572	161	(28)
Cash from operations	164	597	1,083	1,085
Net capital contributions (to)/from the Crown – other	-	5	9	5
Land development funding				
Sale of developed land	54	84	163	169
Net capital contributions (to)/from the Crown – land development	420	262	8	50
Total funding	4,763	2,478	1,329	1,493

Forecast financial statements

Forecast financial highlights for 2026/27

Kāinga Ora manages a total housing portfolio of approximately 78,000 homes. The value of our total land and housing portfolio was \$46.3 billion on 30 June 2025 and is forecast to grow to \$46.8 billion by the end of the 2026/27 financial year. Our forecast net asset position is expected to remain strong at \$27.8 billion. The 2026/27 forecast operating deficit after tax is \$219 million.

In 2026/27, we expect to receive \$2,682 million in income comprising:

- \$1,720 million in income-related rent subsidies
- \$670 million in rental income from tenants
- \$137 million in sales of redeveloped land for market and affordable housing enablement
- \$48 million in other operational funding for Crown programmes
- \$107 million in interest and other income.

In 2026/27, we expect to incur \$2,733 million in operating expenses comprising:

- \$377 million in repairs and maintenance
- \$740 million in interest costs
- \$276 million in personnel costs
- \$137 million in cost of selling redeveloped land for market and affordable housing enablement

- \$350 million in rates
- \$52 million in third-party leases
- \$29 million in insurance
- \$159 million in other expenses, which includes development and acquisition-related costs of \$61 million.

We also expect to incur \$613 million in non-cash operating expenses comprising:

- \$521 million in depreciation and amortisation
- \$92 million of write-offs and impairments of assets driven by redevelopment activity.

In 2026/27, our net cash flows from core operating activities are expected to be \$1,084 million. Kāinga Ora also expects to spend \$1,323 million on rental housing asset purchases and improvements and expects to receive \$502 million from the sale of social housing assets and undertake financing activities (comprising refinancing and repaying debt) resulting in net repayments of \$235 million.

Forecast statement of comprehensive revenue and expense

	Group Actuals 2024/25 \$m	Group Forecast 2025/26 \$m	Group Budget 2026/27 \$m
Revenue			
Revenue from non-exchange transactions			
Rental income from income-related rent subsidies (IRRS)	1,505	1,681	1,720
Rental income from tenants receiving IRRS	578	601	614
Crown appropriation revenue	149	41	48
Revenue from exchange transactions			
Sale of developments	172	112	137
Rental income from tenants at market rent	51	54	56
Interest revenue	28	15	7
Other revenue	103	117	100
Total revenue	2,586	2,621	2,682
Expenses			
Repairs and maintenance	475	387	377
Depreciation and amortisation	498	514	521
People costs	371	271	276
Interest expense	644	675	740
Rates	281	322	350
Cost of land sold	158	151	137
Third-party rental leases	56	53	52
Other expenses	304	258	280
Total expenses	2,787	2,631	2,733

	Group Actuals 2024/25 \$m	Group Forecast 2025/26 \$m	Group Budget 2026/27 \$m
Other gains/(losses)			
Loss on asset write-offs	(239)	(113)	(83)
Impairment of property under development	(147)	(120)	(70)
Gain/(loss) on disposal of assets	(9)	18	-
Total other gains/(losses)	(395)	(215)	(153)
Surplus/(deficit) before tax	(596)	(225)	(204)
Current tax (expense)/benefit	(73)	(102)	(103)
Deferred tax (expense)/benefit	41	98	88
Income tax (expense)/benefit	(32)	(4)	(15)
Net surplus/(deficit) after tax	(628)	(229)	(219)
Other comprehensive revenue and expense			
Item that could be reclassified to surplus/(deficit)			
Hedging reserve gains/(losses)	(21)	2	-
Income tax on items of other comprehensive revenue and expense	-	-	-
Items that will not be reclassified to surplus/(deficit)			
Revaluation reserve gains/(losses)	(1,918)	(374)	767
Income tax on items of other comprehensive revenue and expense	328	(65)	(31)
Other comprehensive revenue and expense net of tax	(1,611)	(437)	736
Total comprehensive revenue and expense net of tax	(2,239)	(666)	517

The above statement should be read in conjunction with the accompanying notes to the financial statements.

Forecast statement of financial position

	Group Actuals 2024/25 \$m	Group Forecast 2025/26 \$m	Group Budget 2026/27 \$m
Assets			
Cash and cash equivalents	320	50	50
Short-term investments	11	176	203
New Zealand Government Bonds	50	-	-
Receivables and prepayments	570	582	567
Properties held for sale	61	161	161
Property under development	373	382	341
Other assets	23	21	20
Property, plant and equipment	46,328	45,830	46,822
Total assets	47,736	47,202	48,164
Liabilities			
Accounts payable and other liabilities	488	446	444
Income tax payable	(32)	28	12
Mortgage Insurance Scheme	71	88	103
Interest rate derivatives	27	25	25
Borrowings	17,981	18,094	18,544
Deferred tax liability	1,278	1,247	1,189
Total liabilities	19,813	19,928	20,317
Net assets	27,923	27,274	27,847
Equity			
Equity attributable to the Crown	4,468	4,485	4,541
Retained earnings	(194)	(14)	56
Revaluation reserve	23,663	22,816	23,263
Hedging reserve	(14)	(13)	(13)
Total equity	27,923	27,274	27,847

Forecast statement of changes in equity

	Group Actuals 2024/25 \$m	Group Forecast 2025/26 \$m	Group Budget 2026/27 \$m
Total equity on 1 July	29,895	27,923	27,274
Net surplus/(deficit) for the year after tax	(628)	(229)	(219)
Revaluation of property, plant and equipment			
Revaluation reserve gains/(losses)	(1,918)	(374)	767
Deferred tax on property, plant and equipment revaluations	322	(65)	(31)
Financial assets at fair value through other comprehensive revenue and expense			
Hedging reserve gains/(losses)	(21)	2	-
Deferred tax on hedging reserve gains/(losses)	6	-	-
Total comprehensive revenue and expense for the period	(2,239)	(666)	517
Contributions from and distributions to the Crown			
Net capital contributions (to)/from the Crown	267	17	56
Total changes in equity	(1,972)	(649)	573
Total equity on 30 June	27,923	27,274	27,847
Equity attributable to the Crown			
Opening balance	4,201	4,468	4,485
Net capital contributions (to)/from the Crown	267	17	56
Closing equity attributable to the Crown	4,468	4,485	4,541

Forecast statement of changes in equity (continued)

	Group Actuals 2024/25 \$m	Group Forecast 2025/26 \$m	Group Budget 2026/27 \$m
Retained earnings			
Opening retained earnings	67	(194)	(14)
Net surplus/(deficit) for the year after tax	(628)	(229)	(219)
Net transfers from asset revaluation reserve on disposal of properties	367	409	289
Closing retained earnings	(194)	(14)	56
Revaluation reserve			
Opening revaluation reserve	25,624	23,663	22,816
Asset revaluations on property, plant and equipment	(1,918)	(374)	767
Deferred tax on property, plant and equipment	322	(64)	(31)
Net transfers from asset revaluation reserve on disposal of properties	(365)	(409)	(289)
Closing revaluation reserve	23,663	22,816	23,263
Hedging reserve			
Opening hedging reserve	1	(14)	(13)
Fair value gains/(losses)	(21)	1	-
Deferred tax on derivative fair value movement	6	-	-
Closing hedging reserve	(14)	(13)	(13)
Total equity on 30 June	27,923	27,274	27,847



Simon Moutter
Chair
30 June 2026



Jenn Bestwick
Deputy Chair
30 June 2026

Forecast cash flow statement

	Group Actuals 2024/25 \$m	Group Forecast 2025/26 \$m	Group Budget 2026/27 \$m
Cash flows from/(used in) operating activities			
Rent receipts – income-related rent subsidies	1,438	1,607	1,660
Rent receipts – tenants	632	574	666
Crown appropriation revenue	106	59	56
Interest revenue	28	15	7
Other receipts	145	230	150
Payments to suppliers and employees	(1,752)	(1,402)	(1,455)
Net cash flows from/(used in) core operating activities	597	1,083	1,084
Sales of developments	84	163	171
Land development activities	(181)	(274)	(158)
Subtotal – land development operating cash flows	(97)	(111)	13
Net cash flows from/(used in) operating activities	500	972	1,097
Cash flows from/(used in) investing activities			
Sale of rental properties and management assets	57	462	502
Purchase of rental property assets	(2,296)	(1,052)	(1,323)
Purchase of other property, plant and equipment	(1)	(2)	(13)
Purchase of intangible assets	-	-	-
Net short-term investments (made)/realised	346	(110)	(28)
Net cash flows from/(used in) investing activities	(1,894)	(702)	(862)

Forecast cash flow statement (continued)

	Group Actuals 2024/25 \$m	Group Forecast 2025/26 \$m	Group Budget 2026/27 \$m
Cash flows from/(used in) financing activities			
Net capital contributions (to)/from the Crown	267	17	55
DMO note issued	3,457	103	1,681
Market notes issued / (repaid)	(1,929)	-	(1,240)
Interest paid	(626)	(660)	(731)
Net cash flows from/(used in) financing activities	1,169	(540)	(235)
Net cash flows	(225)	(270)	-
Opening cash and cash equivalents	545	320	50
Closing cash and cash equivalents	320	50	50

The above statement should be read in conjunction with the accompanying notes to the financial statements.

Statements of underlying assumptions

These statements have been compiled on the basis of current government policy. They comply with PBE FRS 42 *Prospective Financial Statements*. They are presented to fulfil the statutory obligations of Kāinga Ora under the Crown Entities Act 2004.

In this section, Kāinga Ora refers to the Kāinga Ora Group, which comprises Kāinga Ora – Homes and Communities and its subsidiaries. The principal subsidiaries of Kāinga Ora are Housing New Zealand Limited, which owns and manages state housing, and Housing New Zealand Build Limited, which builds market and affordable housing.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts.

Opening balances of the statement of financial position are derived from the best assumptions for the closing balances on 30 June 2026.

Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Judgements and estimates are derived from historical experience and reasonable current assumptions. Actual results may differ from these estimates under different assumptions and conditions, which may materially affect the financial results or the financial positions reported in future periods.

The significant forecasting assumptions used in developing the financial forecasts in the Statement of Performance Expectations are detailed in the table below:

Forecasting assumption	Risk	Financial effect/action taken	Net level of uncertainty
Expected interest rates on investments Interest rates on investments are consistent with the 3-month term deposit rate.	Actual interest rates may differ significantly from those estimated.	Kāinga Ora manages any significant change in interest rates through the term of investment and/or the type of investment.	Low
Expected interest rates on borrowings Interest rates on Crown debt are based on projected borrowing rates from the Crown, depending on the expected maturity of the debt, and taking into account the existing fixed rates locked in on the debt.	Actual interest rates may differ significantly from those estimated.	Kāinga Ora has an interest rate policy that minimises any significant change to interest rates on projected borrowings.	Medium
Revenue from rents A rent growth rate is applied in line with current market expectation.	Market rent is outside the control of Kāinga Ora.	Variance to forecast rent has the largest potential impact on the forecast comprehensive revenue and expense.	Medium

Forecasting assumption	Risk	Financial effect/action taken	Net level of uncertainty
Maintenance expense Maintenance spend is based on expected volumes and run rates for maintenance expenses.	Actual maintenance work completed may be different from that forecast.	Kāinga Ora has significant influence over maintenance programmes and expenditure.	Medium
Personnel expenditure Personnel expenditure includes annual remuneration increases in line with current Budget assumptions.	Actual wage growth may differ from that projected.	Kāinga Ora has some influence over personnel expenditure.	Medium
Price adjustors (cost indices) Larger expense items such as rates and insurance have been inflated for externally driven cost movement expectations.	Actual inflation may differ from that projected.	Kāinga Ora will regularly monitor future financial information and assess its impact on the forecast financial position.	High
The cost of raw materials used in building properties	Actual cost may differ from that projected.	The impact of volatility on the forecast comprehensive revenue and expense and forecast financial position from the cost of raw materials could be significant, especially given current geopolitical risks to supply chains.	High
Asset revaluations Property values change in line with current market expectation.	Property values can be volatile. Revaluation movements may be significantly different from forecast.	The impact of volatility on the forecast comprehensive revenue and expense and forecast financial position could be significant.	Medium
Crown funding for large-scale projects We have included Crown funding for large-scale projects as contributed capital in the forecast financial position, but it is uncertain whether the full amount of the funding will be received.	Crown funding for large-scale projects is uncertain.	If the full amount of the funding is not received, Kāinga Ora will need to borrow additional funds. The impact on the forecast comprehensive revenue and expense and forecast financial position could be significant.	High

Forecasting assumption	Risk	Financial effect/action taken	Net level of uncertainty
Financing That Kāinga Ora will stay within its debt ceiling of \$22.9 billion as set by joint Ministers.	Cost escalation puts at risk the ability to stay within the debt ceiling.	Kāinga Ora monitors its cash flows to keep within its debt ceiling.	Low
Loss events No occurrence of large loss events (e.g. earthquakes, severe weather).	Potential material damage and business interruption from either a significant one-off event, or in aggregate, result in significant financial loss.	Material damage and business interruption insurance is placed annually with the insurance market.	Low
Property sales Proceeds from property sales are based on current market conditions.	Actual market conditions, including demand, sales price and time to sell, may differ from those assumed.	Kāinga Ora monitors market conditions closely and adjusts sales programmes where necessary to manage any financial impact from weaker than expected market performance.	Medium

Assumptions

	2025/26	2026/27
	%	%
Financing indices		
Consumers price index (CPI)	2.7	2.0
Price adjustors		
Rent growth	1.3	2.7
Rates	6.3	8.8
Personnel	1.0	2.5
Construction and maintenance	3.4	3.0
Taxation adjustors		
Goods and services tax (GST)	15	15
Income tax	28	28
Deductibility of depreciation on housing assets	100	100
Property revaluations		
Land	(2.7)	1.9
Building and improvement	1.7	1.4

Cost allocation policy

All costs are classified into responsibility cost centres. Most costs can be charged directly to output classes on either cost code alone or cost code in combination with cost centre. Remaining costs are charged to output classes by way of an allocation process based on cost drivers and related activity use.

Managing the Crown's investment

Kāinga Ora is forecast to have total assets of \$48,164 million at 30 June 2027, funded by liabilities of \$20,317 million and equity of \$27,847 million.

Value of the Crown's investment

The equity (assets less liabilities) is the value of the Crown's investment in Kāinga Ora. The equity figure in the table below is based on estimates of property revaluation.

Equity as at 30 June 2026	Equity as at 30 June 2027
\$m	\$m
27,274	27,847

Aside from capital appropriations, the Kāinga Ora capital expenditure programme is funded by cash flows generated from operations and private sector borrowings.

Business diversification

Kāinga Ora will obtain the agreement of responsible Ministers before making any material changes to its business.

Agreements that result in compensation from the Crown

Kāinga Ora may enter into contractual arrangements with the Crown as required from time to time. Such arrangements would include compensation for the difference between market rent and income-related rent. All contractual arrangements will be identified in the Annual Report.

Kāinga Ora and the Crown have agreed that Kāinga Ora will be compensated for any difference between market rents and income-related rents. This is because Kāinga Ora is required to charge qualifying tenants an income-related rent rather than a market rent.

Statement of accounting policies

Corporate information

Kāinga Ora – Homes and Communities (Kāinga Ora) is a Crown entity domiciled and operating in New Zealand. The relevant legislation governing the operations of Kāinga Ora and its subsidiaries (the Kāinga Ora Group) is the Crown Entities Act 2004, the Kāinga Ora – Homes and Communities Act 2019 and the Urban Development Act 2020.

Kāinga Ora and its subsidiaries are designated public benefit entities (PBEs), whose primary objective is to provide goods or services for community or social benefit rather than for a financial return to equity holders.

The registered office of Kāinga Ora is Level 5, 7 Waterloo Quay, Wellington.

Summary of significant accounting policies

Basis of preparation

The prospective financial information is prepared based on PBE FRS 42 *Prospective Financial Statements*, reporting under Tier 1 of the PBE standards. The financial statements constitute a projection for the year ending 30 June 2026. As a projection, the financial information is based on one or more hypothetical but realistic assumptions as at the date this information has been prepared. The prospective financial information may vary from actual results. The financial information is forward looking and should be read in conjunction with the assumptions set out on pages 42 to 46. Because such statements involve risks and uncertainties, actual results may differ materially from those expressed or implied in forward-looking financial statements.

The financial statements have been prepared on a historical cost basis, except for rental properties, freehold land, derivative financial instruments, actuarially assessed provisions, available-for-sale financial assets and financial assets measured at fair value through other comprehensive revenue.

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest million dollars (\$m) unless stated otherwise.

The statement of financial position is presented on a liquidity basis. The activity that Kāinga Ora is doing in its development business is largely financed by market bond issues. Presenting on a liquidity basis provides the users of our financial statements with a faithful representation and more relevant information on the financial statements.

Comparatives

When presentation or classification of items in the financial statements is amended or accounting policies are changed voluntarily, comparative figures have been restated to ensure consistency with the current period unless it is impracticable to do so.

Statement of compliance

The financial statements have been prepared in accordance with the requirements of the Crown Entities Act 2004, which include the requirement to comply with generally accepted accounting practice in New Zealand.

Basis of the Kāinga Ora Group

The Kāinga Ora financial statements comprise the financial statements of Kāinga Ora – Homes and Communities (the Parent) and its subsidiaries, being Housing New Zealand Limited and Housing New Zealand Build Limited, as at 30 June each year.

The financial statements of subsidiaries are prepared for the same reporting period as the Parent using consistent accounting policies. All inter-entity balances and transactions have been eliminated in full.

Rental property land and buildings

Housing for community groups held by Kāinga Ora and state-owned housing held by Housing New Zealand Limited is recognised at cost upon purchase or completion of construction. Such costs include the cost of repairs and renewals that are eligible for capitalisation according to the recognition principles in PBE IPSAS 17 *Property, Plant and Equipment*. All other repairs and maintenance costs are recognised in the statement of comprehensive revenue and expense.

Subsequent to initial recognition, land and buildings are revalued to fair value at the end of each year and recognised at their revalued amounts. Buildings are depreciated during the year through to the next revaluation.

Any revaluation surplus is recognised in the asset revaluation reserve in other comprehensive revenue and expense, except to the extent that it offsets a previous revaluation deficit for the same asset class that was recognised in the net comprehensive revenue and expense for the year. In such circumstances, the surplus is recognised in the statement of comprehensive revenue and expense for the year.

Any revaluation deficit is recognised in the statement of comprehensive revenue and expense for the year except to the extent that it offsets a previous revaluation surplus for the same asset class that was recognised in the asset revaluation reserve in other comprehensive revenue and expense. In such circumstances, the deficit is offset to the extent of the credit balance existing in the revaluation reserve for that asset class.

Depreciation is calculated on a straight-line basis over the estimated useful life of buildings and their components, including chattels, as follows:

Rental properties	10–60 years
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The Kāinga Ora Group applies the following estimates of economic lives to the components of its rental properties:

Buildings	40–60 years
Improvements	25 years
Chattels	10 years

Other property, plant and equipment

Motor vehicles, office equipment, furniture and fittings, computer hardware and leasehold improvements are stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful life of the equipment as follows:

Motor vehicles	5 years
Office equipment	5 years
Furniture and fittings	10 years
Computer hardware	4 years
Leasehold improvements	The shorter of the period of lease or estimated useful life

Work in progress

Construction work in progress is recognised at cost less impairment losses (if any). On completion, it will be accounted for as rental property or properties held for sale.

Provision for future development costs

Management makes significant judgements when estimating the provision for future development costs. When establishing a provision in relation to each development, management determines whether that development site has been sold. All relevant factors are assessed in ascertaining whether the significant risks and rewards of ownership have transferred to the purchaser when determining whether a sale has occurred.

Management considers development-specific costs and a share of site-wide costs when estimating future development costs. Development-specific costs provide a direct benefit to that development and typically include construction, landscape design and engineering costs. Site-wide costs that benefit all developments in the site area are incurred on a total site-wide basis and typically include site-wide amenity assets, site-wide remediation and coastal walkway costs. An apportionment of site-wide costs is allocated to each individual development based on the proportion of that development's area to the total site area.

Properties held for sale

Properties identified as meeting the criteria for recognition as held for sale are reclassified as such. This classification is used where the carrying amount of the property will be recovered through sale or transfer, the property is available for immediate sale in its present condition and a sale or transfer within the next 12 months is highly probable. For a sale or distribution transaction to be highly probable, the assets or group of assets must be available for immediate sale and the Group committed to the impending sale or distribution transaction.

Any impairment losses for write-downs of the asset are recognised in the surplus or deficit.

A non-current asset is not depreciated, revalued or amortised while classified as held for sale.

Properties under development

Properties under development include land and buildings being prepared for sale as inventory. They are held at the lower of cost or net realisable value with consideration for impairment conducted annually. Any write-downs to net realisable value are recognised as an expense in the statement of comprehensive revenue and expense under impairment of property under development.

Non-cash-generating plant and equipment and intangible assets

Plant and equipment and intangible assets held at cost have a finite useful life and are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

If the carrying amount an item of plant and equipment or intangible asset exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable service amount. The total impairment loss is recognised in the statement of comprehensive revenue and expense.

Financial assets

The Group uses a range of financial products to manage its cash flows such as term deposits, registered certificates of deposit and hedging derivatives. These assets are measured in accordance with PBE IPSAS 41 *Financial Instruments*. This measurement includes initial and subsequent recognition, derecognition and impairment.

The measurement of these assets depends on the business model for managing them and their contractual cash flow characteristics. Financial assets are reclassified if the business model for managing them has changed, which may result in a different measurement model.

(i) Financial assets at fair value through surplus or deficit (FVSD)

Financial assets are subsequently measured at FVSD if they are held for trading or if the contractual cash flows are not solely payments of principal and interest.

Specific financial assets held at FVSD include the following:

- **Derivatives:** In fair value hedges or not in effective hedge relationships.

(ii) Financial assets at amortised cost

Financial assets measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest.

Specific financial assets held at amortised cost include the following:

- **Cash and cash equivalents:** Includes funds held at bank and term deposits with original maturities of less than 3 months.
- **Mortgages and housing-related lending:** Includes Housing Innovation Fund mortgage advances and other loan products.
- **Receivables:** Exchange and contractual non-exchange transactions.
- **Term deposits.**

(iii) Financial assets at fair value through other comprehensive revenue (FVOCRE)

Measurement at FVOCRE is for financial assets that are held for the purpose of both collecting contractual cash flows and selling assets, and those cash flows are solely related to payments of principal and interest.

Specific financial assets held at FVOCRE include the following:

- **Derivatives:** Effective interest rate swaps in cash flow hedge relationships.
- **Registered certificates of deposit and enhanced rate certificates of deposit:** Held for trading in the short term and to collect contractual cash flows.
- **Corporate bonds:** Fixed-term debt securities issued by the Local Government Funding Agency held for trading in the short and long term and to collect contractual cash flows.

The fair value of the Group's interest rate derivatives and other financial instruments held at fair value is adjusted to fair value on a daily basis using current market interest rates (bank bill benchmark rate (BKBM) or swap pricing curve). Changes in fair value are charged to the statement of comprehensive revenue and expense unless they are in an effective cash flow hedge relationship. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The measurement of expected credit losses requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk.

It is the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary

Accounts payable and other liabilities

Due to their short-term nature, accounts payable and other liabilities are not discounted and are unsecured.

Interest-bearing borrowings

All borrowings are initially recognised at the fair value of the consideration received minus transaction costs associated with the borrowing.

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest rate method, unless it is part of a hedging relationship (see below note on hedge accounting). Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

Mortgage insurance liabilities

Insurance contract liabilities are recognised when entered into and a premium is charged.

Mortgage Insurance Scheme liabilities include the outstanding claims liability and the unearned premium reserve. The outstanding claims liability is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, irrespective of whether a claim has been reported or not, including related claims handling costs.

Derivative financial instruments

The Group uses interest rate swaps to hedge the interest rate risk associated with its interest-bearing bonds. All derivatives are entered into with the Crown and have been designated as hedging instruments.

The fair value movement of swaps in cash flow hedge relationships attributable to the hedged risk (other than any ineffective portion) are recognised in other comprehensive revenue and expense under hedging reserve gains/(losses). The fair value movement of swaps in fair value hedge relationships attributable to the hedged risk and the fair value movement of the underlying hedged item are offset and recognised directly in the statement of comprehensive revenue and expense under other expenses.

Leases

The Group enters into operating leases for premises it occupies and for its motor vehicles and office equipment. These leases have an average term of 3–6 years with renewal options included in the contracts.

There are no restrictions placed upon the lessee by entering into these leases. The amounts disclosed as future commitments are based on current lease payments.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Kāinga Ora Group and the revenue can be reliably measured.

(i) Revenue from non-exchange transactions

Revenue from non-exchange transactions is where the Kāinga Ora Group receives value from another party for which it provides either no or below-market consideration. Revenue from non-exchange transactions is recognised when initial control over the resources is gained as a result of a past event, receipt of future economic benefits or service potential from those resources is expected and the fair value of the assets can be measured reliably.

Revenue generated from non-exchange transactions is represented below:

- Tenant income-related rent and Crown income-related rent subsidies are recognised on a straight-line basis over the term of the tenant's lease.
- Crown operating appropriation and grant revenue are recognised when the right to receive the funds has been established whether in advance of or subsequent to provision of the services relating to the appropriation.

(ii) Revenue from exchange transactions

Revenue from exchange transactions is generated when an exchange of transactions of approximately equal value has occurred between the Group and a third party.

Revenue of the Group from exchange transactions includes:

- revenue from the sale of developments
- rental revenue from tenants at market rent
- lease income
- Mortgage Insurance Scheme premium revenue, including premium subsidies from the Crown
- interest revenue on financial assets
- management fee revenue.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Income tax

As the tax depreciation rate for residential buildings is 0%, the tax base of the Group's buildings is nil. Therefore, the tax and accounting bases differ for buildings. This only applies to the acquisition of buildings (and to some additions on all buildings) post 1 July 2010.

Deferred income tax is measured on all temporary differences at balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are amounts of income tax payable in future periods in respect of taxable temporary differences when the carrying amount for financial reporting purposes exceeds its tax base.

Deferred income tax assets are amounts of income tax recoverable in future periods in respect of all deductible temporary differences, carry-forward of unused tax losses or tax credits. The carrying amount of deferred tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled.

Other taxes

The Kāinga Ora Group is mainly an exempt supplier in relation to GST. GST on the majority of inputs cannot be reclaimed. Therefore, it is included in expenditure. Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from or payable to the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the cash flow statement on a gross basis, and the GST component of cash flows arising from investing and financing activities, which is recoverable from or payable to the taxation authority, is classified as operating cash flows.

Commitments and contingencies are disclosed gross of the amount of GST recoverable from or payable to the taxation authority.

Contingent assets and contingent liabilities

Suspensory loans and repayable grants

The Kāinga Ora Group has made grants and suspensory loans to third parties with conditions attached for an agreed period. If the conditions are breached, the grant or suspensory loan will be repayable. Where conditions have been breached or are likely to be breached, a contingent asset relating to the possibility of a future inflow of resources will be disclosed but not recognised.

Significant judgements, assumptions and estimates in applying accounting policies

Judgements

In the process of applying accounting policies to the preparation of its financial statements, management has identified the following judgements it has had to make as having the most significant effect on amounts recognised in the financial statements.

Classification of non-financial assets as non-cash generating assets

For the purposes of assessing impairment indicators and impairment testing, the Group classifies its non-financial assets as non-cash-generating assets, including its portfolio of rental properties. Although cash revenue equivalent to a market rent is generated from rental properties, the revenue comprises income-related rent received from tenants and subsidies received from the Crown, as the primary objective of providing these assets is social housing rather than to generate a commercial return.

As at each balance date, all assets are assessed for impairment by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss.

An asset is classified as cash-generating when it doesn't meet the definition of non-cash-generating.

Appropriations – output tables

The following tables set out the appropriated funding Kāinga Ora expects to receive from the Crown in 2026/27. This funding is shown by appropriation and programme and is aligned with Kāinga Ora output classes.

Output table: Crown appropriations by Kāinga Ora output class

Appropriation name and programme	Operating or capital expenditure	\$m	Kāinga Ora output classes			
			Output class 1	Output class 2	Output class 3	Output class 4
			Delivering cost-effective tenancy services that meet the needs of our tenants	Renewing and maintaining our homes	Delivering our large-scale land development projects	Supporting home-ownership initiatives for New Zealanders
KĀINGA ORA – HOME OWNERSHIP AND ADMINISTRATION						
Mortgage Insurance Scheme (First Home Loan)	Operating	2.319				2.319
KiwiSaver Withdrawal – Administration	Operating	0.208				0.208
Community Owned Rural Rental Housing Loans (CORRL)	Operating	0.045				0.045
Legacy Loan portfolios	Operating	0.103				0.103
Total Kāinga Ora – Home ownership and administration		2.675	0.000	0.000	0.000	2.675
KĀINGA ORA – HOMES AND COMMUNITIES						
Te Kurutao	Operating	1.684	0.462	1.069	0.139	0.014
Core Urban Development	Operating	1.351			1.351	
Sustainability Initiatives	Operating	3.102	0.852	1.968	0.256	0.026
First Home Partner	Operating	1.299				1.299
Total Kāinga Ora – Homes and Communities		7.436	1.314	3.037	1.746	1.339
Kāinga Ora Land Programme	Operating	5.024			5.024	
Grand total		15.135	1.314	3.037	6.770	4.014

Output table: Multi-category appropriations (MCA) 2026/27

Appropriation name and programme	Operating or capital expenditure	\$m	Kāinga Ora output classes			
			Output class 1	Output class 2	Output class 3	Output class 4
			Delivering cost-effective tenancy services that meet the needs of our tenants	Renewing and maintaining our homes	Delivering our large-scale land development projects	Supporting home-ownership initiatives for New Zealanders
SOCIAL HOUSING MCA						
Community Group Housing Market Rent Top-Up	Operating	13.891		13.891		
Community Housing Rent Relief	Operating	4.100		4.100		
Acquisition and Improvement of Community Group Housing Properties	Capital	5.800		5.800		
Market Rent Top-Up is exempt from Crown performance reporting as the information is unlikely to be informative						
Services for People in Need of or at risk of Needing Social Housing	Operating	3.518	3.518			
Purchase of Social Housing Provision	Operating	1,715.805	171.580	1,544.225		
This contains both Kāinga Ora IRRS and regional incentive appropriations						
HOUSING ACCELERATION FUND MCA						
Investment in Crown-owned Entities to Advance Development-Ready Land (Large Scale Project)	Capital	50.621			50.621	
Investment in Infrastructure to Advance Development-Ready Land (Large Scale Project)	Operating	15.718			15.718	
Total multi-category appropriations		1,809.453	175.098	1,568.016	66.339	0.000

Output table: Capital appropriations (MCA) 2026/27

Appropriation name and programme	\$m	Kāinga Ora output classes			
		Output class 1	Output class 2	Output class 3	Output class 4
		Delivering cost-effective tenancy services that meet the needs of our tenants	Renewing and maintaining our homes	Delivering our large-scale land development projects	Supporting home-ownership initiatives for New Zealanders
Refinancing of Crown loans to Kāinga Ora – Homes and Communities	418.258		418.258		
Kāinga Ora – Homes and Communities Private Debt Refinancing Facility (MYA)	1,240.000		1,240.000		
Kāinga Ora – Homes and Communities Crown Lending Facility (MYA) ⁹	490.000		490.000		
Progressive Home Ownership Fund	0.600				0.600
Total capital appropriations	2,148.858	0.000	2,148.258	0.000	0.600

⁹ The Crown Lending Facility appropriation aligns with Budget 2026 and provides authority to borrow up to the specified amount. However, it does not necessarily mean that it will be fully utilised.

Appendix 1 – Disclosure of judgement regarding changes to output class performance measures

OUTPUT CLASS 1: DELIVERING COST-EFFECTIVE TENANCY SERVICES THAT MEET THE NEEDS OF OUR TENANTS

Ref 2025/26	Ref 2026/27	Measure	Target 2025/26	Target 2026/27	Type of change	Rationale for change
1.3	N/A	Tenant rent debt will be below the target amount by 30 June 2026	≤\$6m	N/A	Measure removed	This measure has been replaced with a percentage-based target that adjusts for changes in tenant rent revenue.
N/A	1.3	Percentage of rental arrears relative to tenant-paid rent	11%	5–7%	New measure	<p>The measure has been updated to report arrears as a percentage rather than a fixed dollar amount. This provides a more meaningful way to assess performance over time as percentage-based measures adjust for changes in portfolio size and allow for more robust year-over-year comparisons.</p> <p>To maintain comparability, the previously stated \$6 million target for SPE 1.3 in 2025/26 has been converted into an equivalent percentage.</p>
1.6	N/A	Percentage of successful applications to the Tenancy Tribunal for tenancy termination due to disruptive behaviour	≥90%	N/A	Measure changed	Low case volumes mean that one or two adverse outcomes can disproportionately affect overall results. Accordingly, this measure has been revised to report the absolute number of successful Tenancy Tribunal applications for termination due to disruptive behaviour, alongside the total number of applications made.