



## Status Report

### Kāinga Ora – Homes and Communities

For period 15 March - 28 March 2025

GSR-25-18843

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

There are 0 decision(s) or consultation(s) sought for this report.

For upcoming advice to be delivered in the next month please refer to section 5.

### 2. Updates for Ministers

#### Divestment of Crown-owned homes - update

On 13 March 2025, the marketing campaign being conducted by Bayleys to on-sell 109 Crown-owned homes concluded with 23 bids being received. Bayleys were very pleased with this result noting that market conditions remain challenging across most sectors, so to attract such a high level of interest is considered an “exceptional result particularly considering the volume of alternative investment opportunities currently being presented to the limited amount of buyers for larger scale opportunities”.

Despite this strong interest, most initial offers for the portfolio in aggregate are below the underwrite price paid by the Crown. This is reflective of the market, the buyers perceived risk and their cost of capital. Currently, the top offers for the whole portfolio range from \$35.2 million to \$61 million, against a Crown purchase price of \$58.5 million. These are first offers and Bayleys are currently engaged with preferred bidders to lift pricing and offer quality. Bidder profiles included private individuals, corporate capital both onshore and offshore, family trusts and Community Housing Providers. Most of the bidders or bidding entities are known to Bayleys as being very experienced and well-known property investors with solid performance track records. Only two bidders have a limited track record on transactions of this scale.

In terms of the offers received, most are seeking to buy the portfolio at a discount with the intention of holding the properties for a period and then selling them to “retail” buyers as and when market conditions improve. Many of these bidders have indicated a 2-3 year timeline to achieve this, so have priced in holding and funding costs over this period. Various bidders noted that the level of competing stock is high so they would need to discount the retail price significantly if they want to sell the properties over a shorter period, so their bids reflect this risk. Two groups would incorporate assets into community/social housing portfolios. Three groups bidding on the whole portfolio are intending to buy to build up a rental portfolio either in whole or part. Some may then provide rent-to-buy terms to their tenants as an exit strategy over the longer term. Most of the bids are subject to conditions (mainly finance and due diligence), but nine are unconditional, subject only to a variety of settlement terms. Three possible scenarios are emerging:

- Sell the whole portfolio to one buyer – this would be the preferred outcome and the most administratively efficient;

- Sell all Auckland properties to one buyer and the Wellington properties to separate buyers; and
- Sell down properties by development to individual bidders.

Officials from Kāinga Ora have met with Bayleys and conducted an assessment of the initial offers. The assessment took into account the overall price offered, but also considered how conditions of offers, due diligence and proposed settlement dates may impact the length of time to settle the transaction. A short-list of nine bidders have now been invited to review their offers (price and/or terms) and present their best and final offer by close of business on Wednesday, 26 March 2025. Once those final offers are received, we will conduct a further assessment and update you on the preferred outcome.

**Contact Person:**

Mark Fraser

**Position:**

General Manager - Urban  
Development and Delivery

**Phone:**

0275777675

9(2)(b)(ii)

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**Tranche Transfer of properties subject to RFR**

Kāinga Ora is in the process of updating the record of titles for all remaining properties held in the name of Housing Corporation of New Zealand and Housing New Zealand Corporation by transferring the properties to Housing New Zealand Limited following the enactment of the Kāinga Ora–Homes and Communities Act 2019 (“the Act”). This transfer will ensure the properties are held in the correct entity for their current use as public housing and future tax consideration.

Under the Act, Housing New Zealand Corporation was disestablished and its functions and assets vested in Kāinga Ora. Kāinga Ora is defined under the Act as, for the purposes of the definition of public housing, including a Crown entity subsidiary of Kāinga Ora. Housing New Zealand Limited is a wholly owned subsidiary of Kāinga Ora and is the Crown entity responsible for public housing in New Zealand.

Approximately 200 of the properties to be transferred as part of this transaction are subject to a registered Right of First Refusal (“RFR”) in favour of various iwi. A RFR is a long-term option for iwi to purchase or lease Crown-owned land, giving them priority if the land is ever offered for sale or lease, and it occurs where the Crown has reached a Treaty settlement with an iwi claimant group. The respective settlement acts provide the different restrictions on the disposal of RFR land.

For each of the properties affected by this transaction, the relevant settlement acts specifically allow for

an RFR landowner to dispose of RFR land to the Crown or a Crown Body, subject to 20 working days' notice of the transfer being provided to the offer trust. As we are proposing to transfer land to Housing New Zealand Limited which is a Crown entity, this transfer is specifically permitted under the legislation and is not subject to the offer-back requirements. The required notices will be sent to iwi after the Minister has been notified, and settlement of the transaction is expected to take place of within 20 working days from the day the notice is issued to iwi.

<b>Contact Person:</b> Caroline McDowall	<b>Position:</b> General Manager - Housing Delivery	<b>Phone:</b> 021348432
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### Marking the Completion of Community Lane, Avondale

Community Lane is the largest Kāinga Ora social housing complex nationally with 236 social housing units across five high rise buildings which have been delivered, and tenanted, progressively. To mark the completion of the final building we invited neighbours, local leaders, and community organisations (including I Love Avondale, Age Concern, Whau Ethnic Collective, Mercy Hospice, Whau Pasifika, Avondale Business Association, Citizens Advice Bureau and Eke Panuku Development) along with tenants to an Open Day on 15 March 2025. Our regional Community Engagement and Partnerships team and Housing Support Team members greeted guests and visitors and provided guided tours of the apartments, shared gardens, community rooms and on-site offices. Tenants living in the complex have formed small residents' groups and ran activities including tai chi and games for children.

To date, 197 units out of 236 at Community Lane have been occupied. The final building has recently been delivered and is being tenanted progressively to manage lift access for movers. A plan is in place to identify suitable applicants to offer the remaining units to.

<b>Contact Person:</b> Caroline Butterworth	<b>Position:</b> Deputy Chief Executive - Auckland and Northland	<b>Phone:</b> 021843098
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### Auckland Local Board Emergency Readiness and Response Plans

The Central and East Auckland Regional Director and Operations Manager recently met with Auckland Council's Head of Planning, Auckland Emergency Management in relation to Emergency Response and Readiness Plans which have been developed to date for 18 of Auckland's 21 Local Board areas. The Plans detail how to reduce the impact of a hazard, how to be ready for an emergency and how to respond to an emergency along with tips to help individuals and households on the recovery journey after an emergency. Each plan provides unique local information, including specific geographical, social and hazard profiles and the location of nearby Civil Defence Centres and Community Emergency Hubs. These plans respond to lessons learned from the devastating Auckland Anniversary weekend floods and Cyclone Gabrielle in early 2023. Those events highlighted the importance of local preparedness and community support during emergency events. Our three Auckland operating regions will use and share the information in these plans with tenants with the objective of reducing vulnerability to emergency events.

**Contact Person:**

Caroline Butterworth

**Position:**

Deputy Chief Executive -  
Auckland and Northland

**Phone:**

021843098

### 3. Summary of papers sent

## Paper

## Purpose

No papers this week

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

9(2)(f)(iv)


## 5. Kāinga Ora OIA requests

Reference number	Requestor	Type	Request summary	Minister(s)	To MO for	Response due
GSR-24-18095	Member of the Public	Public	<i>Building Innovation</i> HDS and Daum & Co	Hon. Chris Bishop	Noting FYI	24/02/2025 extended
GSR-25-18643	Member of the Public	Public	<i>Statistics, Stock and Pipeline</i> Cancelled projects and pipeline of work	Hon. Chris Bishop	Not being provided	31/03/2025
GSR-25-18657	Member of the Public	Public	<i>Consultant &amp; Contractors</i> External Consultancy Services spend last 18 months	Hon. Chris Bishop	Not being provided	31/03/2025
GSR-25-18658	Benn Bathgate	Media	<i>Rent</i> Details about five highest rent arrears cases Waikato	Hon. Chris Bishop	Noting FYI	31/03/2025
GSR-25-18749	Hon Chris Hipkins Office	Opposition	<i>Developments</i> Empty properties / partially filled apartment blocks in Upper /Lower Hutt	Hon. Chris Bishop	Noting FYI	01/04/2025
GSR-25-18604	Member of the Public	Public	<i>Developments</i> Homestar and Lakeside Development	Hon. Chris Bishop	Noting FYI	02/04/2025
GSR-25-18705	Member of the Public	Public	<i>Consultant &amp; Contractors</i> Independent technology review	Hon. Chris Bishop	Noting FYI	03/04/2025
GSR-25-18579	Member of the Public	Public	<i>Staff</i> Results of Staff OHI survey	Hon. Chris Bishop	Noting FYI	04/04/2025 extended

Reference number	Requestor	Type	Request summary	Minister(s)	To MO for	Response due
GSR-25-18738	Jordan Dunn	Media	<i>Disruptive behaviour</i> Details on evictions in the past 24 months	Hon. Chris Bishop	Noting FYI	08/04/2025
GSR-25-18513	Member of the Public	Public	<i>Developments</i> Cost of development on Malfroy Road and Ranolf Street, Rotorua	Hon. Chris Bishop	Noting FYI	11/04/2025 extended
GSR-25-18760	Member of the Public	Public	<i>Urban Development</i> Correspondence with CE about LEAD alliance	Hon. Chris Bishop	Noting FYI	11/04/2025
GSR-25-18763	Member of the Public	Public	<i>Urban Development</i> Text and teams messages about LEAD alliance	Hon. Chris Bishop	Not being provided	11/04/2025
GSR-25-18774	Member of the Public	Public	<i>Staff</i> GM Housing Appointment & Assessment Centres	Hon. Chris Bishop	Not being provided	11/04/2025
GSR-25-18512	Action Station	Interest Group	<i>Statistics, Stock and Pipeline</i> Paused, cancelled and approved Kāinga Ora projects	Hon. Chris Bishop	Noting FYI	14/04/2025 extended
GSR-25-18777	Riley Kennedy	Media	<i>Procurement</i> Wool and nylon carpet costs	Hon. Chris Bishop	Noting FYI	14/04/2025
GSR-25-18654	Member of the Public	Public	<i>Developments</i> Nile Street - OIA Request	Hon. Chris Bishop	Not being provided	15/04/2025
GSR-25-18767	Member of the Public	Public	<i>Developments</i> Official information request: Construction Projects Data Request	Hon. Chris Bishop	Noting FYI	15/04/2025
GSR-25-18790	Hon Nicola Willis Office	Government	<i>Disruptive behaviour</i> Cockayne Road, Khandallah - Disruptive Behaviour local community	Hon. Chris Bishop	Noting FYI	15/04/2025
GSR-25-18807	Francisco Hernandez MP	Opposition	<i>Administration</i> Kāinga Ora briefings (Turnaround Plan, OHI Survey & LOEs)	Hon. Chris Bishop	Noting FYI	16/04/2025



Ministerial OIA requests				
Access number	Requestor	Topic	Date due to Minister's Office	Date due to requestor
This week				
<b>Upcoming completed homes opportunities</b>				
[REDACTED]	[REDACTED]	[REDACTED] [REDACTED] [REDACTED]	[REDACTED] [REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED] [REDACTED]	[REDACTED] [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED] [REDACTED]	[REDACTED] [REDACTED]	[REDACTED] [REDACTED]	[REDACTED] [REDACTED]

## 7. Upcoming completed homes opportunities

9(2)(f)(iv)