

# Development and Construction **matters**

The Government this week announced a housing acceleration fund which will set aside \$3.8 billion for the infrastructure required to make land ready for homes to be built on – unlocking a mix of private and public sector developments. Kāinga Ora – Homes and Communities will have a key role to play in administering funds for infrastructure. The Government also said it will approve our organisation's ability to borrow an additional \$2 billion for land purchases and development that accelerates housing delivery.

#### **Construction Intentions now online**

Kāinga Ora recently published our 2021-2024 construction intentions for different regions around the country. You can find this data on the Kāinga Ora website **here** with supporting information **here**.

We are sharing this information for the first time to give visibility and certainty on the volume, building types and locations of homes our organisation is likely to deliver, with help from our partners, annually for the next four years. It shows the Kāinga Ora forward work programme for the construction of public and supported homes (construction intentions), and also the newly constructed homes our organisation purchases from the market. It does not include the market and affordable homes Kāinga Ora also enables and delivers.

Our construction intentions are a subset of the Government's **Public Housing Plan**, which is delivered by Kāinga Ora and the community housing sector. They represent the organisation's current commitment to increasing housing supply.

Publishing our construction intentions is an initiative under **Building Momentum - our construction plan for future homes**. We are continuing our industry outreach on Building Momentum with the first event for 2021 on 14 May in Christchurch. Please save the date and we will be in touch with more information soon.

You can keep in touch and sign your colleagues up to receive the bulletin by emailing updates@kaingaora.govt.nz.

## Our priorities

- > Sharing construction intentions data
- Building consent authority operational
- > SpecifiedDevelopmentProjects
- DeliveringKiwiBuild homes

#### Message from our land development, construction and urban planning leaders

Kāinga Ora has recently established a new Commercial Group, led by Caroline McDowall - GM Commercial. A key function of the group is to provide a 'front door' for builders and developers interested in partnering with us. This approach will enable clearer, more streamlined ways of working, and also allow Kāinga Ora to keep abreast of new developments and innovations in the market. Enquiries can be directed to Neil Mayo, Chief Commercial Officer, at CCO@kaingaora.govt.nz.

Kāinga Ora continues to grow into its new and wider role in urban development. Our new regional teams are developing local relationships and plans to guide the future development programme underpinned by a partnering approach.

Some of the larger and more complex projects, where we partner with iwi, developers or other government agencies, will be able to use the **Specified Development Project (SDP)** pathway under the Urban Development Act (UDA). A number of discussions are already underway and Kāinga Ora expects some of them will lead to SDP proposals which will then be assessed in the near future. The UDA is not a fast track consenting process – it's about doing all the engagement, planning and decision-making up front, and under one coordinated process, so development implementation can then flow quickly and smoothly.

#### Site clearance panel - RFPs released

As mentioned in the **February bulletin**, Kāinga Ora is establishing a new site clearance panel made up of three sub categories; house relocation, deconstruction and demolition contractor panels. This is part of our efforts to make our practices more sustainable across our operations.

As part of this work, we aim to divert 80% of materials from landfill across Auckland development areas (diversion targets in other regions to follow). We also have a target to relocate 7% of state houses from development areas nationwide. Request for Proposals (RFPs) for **National House Relocation Services** and **Auckland Deconstruction Services** were released on Tenderlink on 5 March.

The last date for questions is 29 March and the deadline to submit proposals is midday on 7 April. The panel is expected to be in place in May. If you have any questions, please contact our Procurement team at procurement@kaingaora.govt.nz

#### Consultancy services panel

Kāinga Ora currently selects our consultancy suppliers off the All of Government Construction Consultancy Services (AoG CCS) panels. We are going to run a process to identify a number of 'Preferred Suppliers' across consultancy types and regions to work more closely with us.

Look out for future details via the Government's usual channels of GETS and the AoG panel. To ensure you are eligible for our panels you must have applied and have been appointed to the AoG CCS panel. For enquires, contact:

AoG CCS - AoGProfessional@mbie.govt.nz Käinga Ora - panels@kaingaora.govt.nz



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## Kāinga Ora Building Consent Authority established

**Consentium**, the Kāinga Ora Building Consent Authority, (BCA) officially launched this week. It is now the first accredited and registered non-Territorial Authority BCA in New Zealand. It is also the first national BCA.

National Building Consent Authority Director Anna McCrossan says it's exciting to be up-and-running.

"A key goal for Kāinga Ora in setting up Consentium is to integrate the building consent process with the delivery of Kāinga Ora homes in order to minimise inefficiencies," Anna says.

"This will ultimately enable public housing to be delivered more quickly and improve housing quality.

"We believe we have a unique opportunity to help educate and lift our internal consenting performance, and that of our suppliers through things like early engagement. This will ensure improved process and compliance from the get go."

This collaborative approach has been welcomed by Kāinga Ora suppliers. Toby Russell is the director at architectural firm Young+ Richards+ which has offices in Auckland and the Hawke's Bay.

His team has been working with Consentium throughout the accreditation and registration assessment phases.

"Consentium has been fantastic at maintaining an open dialogue," Toby says. "Young+ Richards+ has really appreciated the way they have shared what we can do to improve our consent applications, while also looking at things they can do in a way that is mutually beneficial.

"It's exciting to be working with a national consenting authority with a consistent approach."

Consentium's scope covers processing state house building consents of up to four levels nationwide.

Our design partners will need to apply to Consentium prior to registering their company in the Consentium tab of the Simpli portal. Please email the team at:

bcaconsentprocessing@consentium.co.nz



Build Partners Project Manager John Hay and Consentium Building Inspector Shenene Carstens at the Kåinga Ora Bari Lane development in Mangere.

### **Demand for KiwiBuild homes continues to rise**

The growing demand for **KiwiBuild** homes in the first quarter of 2021 has seen a substantial increase in both applications for KiwiBuild eligibility and the number of people entering our ballots for new homes. Seven Auckland ballots have run so far this year for 121 new KiwiBuild homes in Northcote, Mt Wellington, Flat Bush, Ranui, Onehunga and Takanini.

The latest release of 51 homes at the Ormiston Rise development in Flat Bush received over 1,000 entrants into the ballot. This was a 92 percent increase over the previous release and the highest number of total entrants in a single balloted release seen to date.

In Northcote, the first six three-bedroom apartments at Greenslade Crescent and the final apartment at Awataha Drive were balloted simultaneously in February. Both saw significant uptake in entrants in the first few days. The remaining 54 homes at Greenslade Crescent were released to market late last month, and were all allocated to buyers on the day of release.

In March, the Arney Square development in Ranui released its first 11 three-bedroom homes to market, with over 350 entries into the ballot received. Manaaki, Ockham Residential's new apartment complex in Onehunga, received 200 ballot entries for the release of the first 11 three-bedroom homes.

It is anticipated that sale by ballot will continue to be utilised as a priority method of sale to help ensure the fairest sales process in response to increasing demand from eligible buyers.

Outside Auckland, new homes at Discovery Development in New Plymouth have also exceeded sales expectations, with the first 33 homes sold by direct sale to eligible and first-home buyers since coming to market in September 2020. With the new community growing rapidly, there is already keen interest for the remaining 48 homes, which will be available to purchase as they get closer to completion over April and May this year.



Buyers snapped up the 60 KiwiBuild homes at Greenslade Crescent

## As of the end of January 2021, KiwiBuild has:

- 1,356 homes sold to 2,098 new home owners
- 861 homes under construction
- 792 homes built (since June 2018).



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