



Development and Construction matters

New Zealand is moving through the second week of Alert Level 3. Yesterday the Government outlined what activities will be permitted and restricted under Alert Level 2. On Monday 11 May, they will announce when we might move to Alert Level 2 and whether it will involve a phased approach; until that time **we remain at Alert Level 3**.

Also next week, on Thursday, 14 May, the Government will announce the 2020 Budget.

Kāinga Ora – Homes and Communities is working closely with the Ministry of Housing and Urban Development and the **Construction Sector Accord** to prepare for a transition to Alert Level 2. This includes any to be followed by our internal staff, and build and development partners, in accordance with Ministry of Health and WorkSafe guidance.

We will share this with you as we go. If you have any specific queries, or business problems you'd like to raise with us, please get in touch with us directly or via updates@kaingaora.govt.nz.

Strict hygiene, health and safety, staff track and tracing and physical distancing measures remain in place for all our sites. These adhere to the **Construction Health and Safety New Zealand Covid-19 Construction Protocols**, which are set to be updated imminently for Alert Level 2 - so please check this website frequently.

Also, a reminder that we are all responsible for the way construction work is carried out to ensure the country moves swiftly and smoothly through Alert Level 3.

Read more about Alert Level 3 for building and construction

Our priorities in COVID-19 L3

- › Planning for Alert Level 2
- › Reopening remaining sites
- › Engaging with materials suppliers
- › Keeping you informed

Message from our land development, construction and urban planning leaders

By next week, nearly all of the almost 300 Kāinga Ora **public housing sites** will be operating. Our civil construction sites are now open, as are our affordable and market home sites within the **large scale projects**. This is a sensational effort and we want to thank all our build and development partners and contractors, as well as our own teams, for mobilising to resume work safely and rapidly.

We are actively engaging with over 100 build partners and contractors. The resumption of work is helping to keep cash flowing on our active construction projects where Kāinga Ora has more than 3,000 state homes under construction and contracted and are planning to contract and begin construction on over 3,000 more in the next 12 months.

During the lock-down, Kāinga Ora introduced a number of solutions to increase cash flow and ease the financial burden felt by many of our partners and suppliers. These included making payments for costs incurred on- and off-site, making daily payment runs, accelerating the release of retentions, extending bond provisions to include insurance surety, and prioritising planning work to ramp up future delivery.

In addition to the homes currently being built, over 7,000 are in planning and feasibility - paving the way for a valuable pipeline of work for thousands of people in the building sector and related professions such as surveyors, architects and planners.

Turning to business activity, over the last week Kāinga Ora entered into one new construction contract, and issued seven new work orders and 35 consultant contracts. That takes the monthly total to:

| New work initiated |
|--------------------------|
| 1 April to 1 May |
| 7 construction contracts |
| 27 work orders |
| 212 consultant contracts |
| Total = 246 |

Our engagement teams have necessarily stepped up their digital capability to reach out to communities, partners and customers through online communications, meetings, workshops and events. They have also been extending more traditional engagement, which to date has involved letters, phone calls and noticeboards, to home-based activities like “Bling your Bubble” and “Spot the Kāinga Ora bear”, public art engagements and other activities that reconnect people.

Kāinga Ora is part of the Construction Sector Accord. Together the Construction Sector Accord Steering Group has taken an immediate leadership role in developing the **Construction Sector Covid-19 Response Plan**.

Through the Accord, government agencies are working with the construction sector and industry leaders on what additional forms of support may be needed to ensure that new housing supply, including affordable options such as KiwiBuild, continue to be built.

Separately, the Government has a range of **support and advice** for employers whose business are affected by COVID-19.



Patrick Dougherty
Construction and Innovation,
Deputy Chief Executive



Caroline McDowall and Mark Fraser
Urban Development – Delivery,
Deputy Chief Executives (Joint)



Katja Lietz
Urban Development – Planning,
Deputy Chief Executive

KiwiBuild's Joanne (Jo) Johnson – going faster on housing and car racing

Jo Johnson is a Senior Development Manager for Kāinga Ora, working in the KiwiBuild unit. She is involved with the **KiwiBuild** underwrite process and is responsible for assessing the developer's proposal, pricing, design and delivery outcomes for housing projects. She's also a BMW race car driver.

How does the KiwiBuild underwrite work?

At its core, KiwiBuild works to increase the supply of affordable homes to New Zealand home buyers. KiwiBuild takes on risk by underwriting homes in new developments, and in return, the developer agrees to sell the homes at a capped price.

The underwriting component of KiwiBuild is essential to its success. It provides the financial leverage required for housing development projects to start faster and gives more certainty to banks who prefer low-risk lending.

What are your aspirations for the future?

I joined KiwiBuild to be part of a positive transformation in the New Zealand housing industry. These warm, dry, and more affordable homes are going to be hugely beneficial for future generations. I'm proud to have been involved in facilitating the approval of 295 three-bedroom homes, all scheduled for delivery in 2021-2022.

Personally, my aspirations revolve around property and racing. I often help people who are looking for property advice, and actively participate in driver training days.

Can you tell us more about your racing career?

I started 18 years ago and have been racing my current BMW E-30 for the last nine years. Racing is a great metaphor for life; you never know what's going to happen. Sometimes you turn the corner too fast and skid out, sometimes you have a great race and perform at your best.



Jo Johnson joined KiwiBuild at the start of 2019



Jo racing her BMW E-30

Back to work for Precision Construction

Precision Construction Managing Director Grant Millar speaks for many trade workers when he describes the feeling of being back onsite.

"It feels great. The overriding sentiment from all of our people is that they're grateful to be back at work."

Mr Millar says each of Precision's eight Auckland-based sites for Kāinga Ora has strict protocols on physical distancing, hygiene, site entry and exit, deliveries and visitors. As of Wednesday this week, there had been more than 900 site inductions.

"Our management team and health and safety team spent weeks preparing a mobilisation plan. This was carried out in consultation with Kāinga Ora, who were super-proactive in terms of their feedback which we were able to incorporate into our safety plan."

To help make up for lost time, Mr Millar says Auckland Council has greatly assisted by allowing construction sites to operate later in the day than usual.

"Auckland Council has increased the hours that we're able to work, but being mindful of neighbours, we're restricting late-day activity to trades that make less noise, such as plastering and painting."

Brad Colebrook is the site manager for Precision's Hilda Road development in Favona, Mangere. He says all workers are doing their bit to minimise the risk of Covid-19 transmission.

"Everybody's happy and everyone's complying. Even though there's distance between us, it's nice to be around people again."



Safety comes first at Precision Construction work sites



Precision Construction workers maintaining physical distancing on the Hilda Rd site in Favona, Mangere



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