

07 JUN 2018

Thank you for your letter of 28 April 2018 to Minister Twyford, transferred to Housing New Zealand on 9 May 2018, requesting the following information under the Official Information Act 1982 (the Act):

“ ... is this part of a previously publicised development, and if so:

- *when was it publicly known and when did building commence*
- *how many additional dwellings does the KiwiBuild announcement add to what was already planned*

How do prices of the KiwiBuild houses compare with others in this development:

- *if they do differ is that due to a variation in specification, or*
- *if not what differentiates those houses from the others in the development”.*

I understand that you confirmed with Minister Twyford's office that you were referring to the McLennan development in Auckland, and the recent announcement of the first KiwiBuild homes to be built.

“ ... is this part of a previously publicised development, and if so:

- *when did building commence*

The first homes at McLennan were delivered in late 2015.

On 28 April 2018 the Government announced the first KiwiBuild homes under construction at the McLennan development in Papakura, Auckland.

Stages 3 and 4 of McLennan were originally planned to be super lots and developed by private builders. We have master-planned Stage 3 and Stage 4 and this sets the number of sections and houses. Stage 3 is being undertaken in two Stages: Stage 3A has received resource consent and building consent; Stage 3B has received resource consent.

The KiwiBuild announcement, while continuing at the location of the McLennan development, is a significant departure in how new homes will be delivered.

KiwiBuild represents a fundamental change from the original super lot concept, to a new model that empowers Housing New Zealand to deliver modest homes to people to help them get a start on the housing ladder. This development at McLennan is known as McLennan Stage 3A.

“ ... is this part of a previously publicised development, and if so:

- *how many additional dwellings does the KiwiBuild announcement add to what was already planned*

KiwiBuild does not increase the total number of homes planned at McLennan, but it will deliver homes quickly. There is no certainty that all homes planned at McLennan would have been completed if the development continued with private developers only.

A tender for McLennan Stage 3A of 30 KiwiBuild homes has been completed and works are underway. Eighteen of these homes are expected to be completed by the end of August 2018, with the remainder completed by the end of 2018.

How do prices of the KiwiBuild houses compare with others in this development:

- *if they do differ is that due to a variation in specification, or*
- *if not what differentiates those houses from the others in the development”.*

Housing New Zealand will use standardised designs across the majority of its future activity. The McLennan development is an opportunity to deliver a range of homes at set price points.

The proposed price points for McLennan Stage 3A will be below the proposed KiwiBuild price caps in Auckland which are \$500,000 for a one bedroom home, \$600,000 for a two bedroom home and a \$650,000 for homes with three or more bedrooms.

Homes at McLennan have an expected price of \$499,000 for a two-bedroom home, \$579,000 for a three-bedroom home and \$649,000 for a four-bedroom home.

Some sale prices are publicly available, for example on Trade Me, where the address and sale price of nearby sales are noted in current sale advertisements that identify homes as being part of the McLennan development, or are available from QV.

I am therefore refusing your request for comparative prices under *Section 18(d) of the Act* as the information requested is publicly available.

The KiwiBuild homes are expected to be more modest than those currently being offered from super lot developments at McLennan. It is expected that the KiwiBuild houses will not have an ensuite bathroom, and will not have a garage, creating the differentiation required in the market.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

I hope that you find this information helpful.

Yours sincerely




Patrick Dougherty
General Manager Asset Development