

02 June 2022

s9(2)(a)



OI 22 156

Thank you for your email of 3 May 2022, which you clarified on 5 May 2022, requesting information relating to the Kāinga Ora - Homes and Communities property portfolio under the Official Information Act 1982 (the Act).

Almost 98 percent of our approximately 68,500 homes are tenanted at any one time. The total number of vacant properties has averaged around 1,800 over the past two years. These include short-term and longer-term vacancies as explained further below.

The three main reasons for vacancies are:

- The homes will be deconstructed, demolished or moved so more homes can be built on that land
- The homes are being fully refurbished under our Retrofit programme or brought up to the latest Healthy Homes Guarantees Act standards
- The homes are vacant between tenancies.

The number of vacant properties is slightly higher than recent years, reflecting Kainga Ora commencing a significant renewal programme that will see 50,000 of its homes brought up to modern standards over the next 15 years, and a growth programme which will increase our portfolio size by a net of 11,780 homes.

The renewal programme is completed through either deconstruction, demolition or removal and replacement or an extensive multi-month renovation of those houses, both of these options require tenants to be moved out of the homes while works are completed.

The growth programme is primarily driven through redeveloping on existing landholdings, deconstructing, demolishing or removing homes and replacing them with medium to high density housing. Concurrently Kāinga Ora is using this opportunity to open up land across Auckland and Porirua for sale to developers, with development agreements requiring the building of homes to new density rules and quickly. These Large Scale Projects will see around 10,000 homes replaced with up to 30,000 over the next 15 years. Once again, homes need to be emptied to enable the intensification to occur.

Kāinga Ora has completed the construction of 7,150 new public and supported homes over the last four and a half years, primarily through redeveloping on our existing landholdings. It has over 4,000 more homes under construction across the country, again focussed on increased density on our land.

The phasing of projects and tenant's timing for leaving homes does not necessarily align perfectly with construction activity. In some cases, Kāinga Ora will need to go through an elongated land consolidation, consenting and approval processes, with affected tenants leaving their homes intermittently. Tenants are taken through an extended engagement process, enabling them to, as best as possible, relocate at a time that suits them such as the end of school years or as personal circumstances change. COVID-19 has affected this process too, which has required us to reshape

and extend timelines for many of our services and activities, particularly those that are reliant on working in homes, on sites and face-to-face. Construction activity, which is people intensive, has been especially impacted as construction teams take longer to complete works and are consequently delayed in completing projects and starting the next project.

I have addressed each of your questions in turn below.

Please provide figures on how many Kāinga Ora properties are currently untenanted and vacant. Please provide separate figures for Auckland and the rest of NZ.

As at 30 April 2022 Kāinga Ora had 1,817 vacant public properties in our portfolio with 642 in Auckland and 1,175 in the remainder of New Zealand. These vacant properties account for around two percent of our Auckland homes, and around three percent of the homes across New Zealand, and many of these are short term vacancies.

More detail on these figures can be found in the breakdown of categories below, please read these figures in conjunction with the explanations that follow.

	Short Term Vacancies		Long Term Vacancies			'SLED'		
	Ready to Let	Under Repair	Pending Decision	Renewal & Maintenance	Redevelopment	Sales	Lease Expiry	Demolition
Auckland	81	146	20	106	183	8	62	36
Rest of NZ	137	212	377	274	72	16	14	73

Properties that are classed as short term vacancies will generally be occupied within a four week period, with the homes having minor works or repairs done while they are vacant. Potential tenants are offered the home and part of this process includes the customer either accepting a home or declining it – so it may be empty for a short period.

Long term vacancies can occur for a number of reasons, including more serious repairs being required, a property being tagged for future renewal or redevelopment, and preparation for sale. In the table above the categories used are:

- Pending decision - Houses are unavailable while a decision is made regarding their future use. Properties will move from this category to other long-term vacant categories or to the ready to let short-term vacant category as appropriate.
- Renewal and maintenance - Houses are undergoing significant work such as retrofitting, which means they are unavailable for letting. This category also includes properties either contaminated or suspected of being contaminated.
- Redevelopment - Houses are unavailable for letting as they are in redevelopment areas and at various planning stages.
- Instances where the home will be relocated in a partnership arrangement with iwi or similar community group. In a very limited number of cases these may be part of a sales process.

Houses may also be vacant and not intended for re-letting (referred to as SLED - Sale, Lease Expiry, Demolition), as they are either for sale or awaiting demolition for redevelopment, are fire damaged requiring demolition, or a vacant property awaiting the expiry of a lease. Some houses that are pending sale may be brought back into the letting pool, subject to demand. Where properties are demolished, Kāinga Ora aims to recycle and reuse 80 percent of our demolition waste.

Kāinga Ora regularly publishes information on our vacant properties. The latest quarter's statistics will be published in the coming week and will be found at the following link <https://kaingaora.govt.nz/publications/housing-statistics>.

Please provide figures on how many of these properties have been vacant for more than one month, more than six months and more than one year.

Vacant for over a month	Vacant for over six months	Vacant for over a year
1,413	842	559

The properties that have been vacant for over a month are mostly those that are awaiting decisions on future use, pending redevelopment, undergoing renewal or maintenance, or awaiting sale, lease expiry or demolition.

Please note that these figures are cumulative so properties that have been vacant for longer over six months and over a year are included in the vacant for over a month column too.

Please provide details on the five Kāinga Ora properties that have been vacant for the longest period, including the reason they have been vacant for so long and similar details about each property as request in attached OIA response.

Please refer to Attachment One for this information. This provides details on public houses that are single dwellings located on an individual title.

For context, the three properties at Hobson Street Auckland are part of an apartment complex where Kāinga Ora owns 40 of the 278 units. The entire complex is currently untenanted as the building is undergoing significant remediation work to address weathertightness issues. This is being overseen by the Body Corporate.

The property in Lyall Bay Wellington has rotten piles and the house is slowly sinking. Due to the poor condition of the land, it would take significant and costly remediation to ready the land for redevelopment, which has contributed to it being vacant long term. Kāinga Ora has also attempted to sell the property. The home continues to sit under redevelopment with a decision expected early 2023.

The property in Waddington Drive, Lower Hutt has suffered a long history of ongoing sewage floods during heavy downpours due to the pressure on the storm water systems. Lower Hutt City Council and Wellington Water are responsible for storm water systems and flooding protection. Kāinga Ora has been unable to tenant, or redevelop the property due to these ongoing issues. Redevelopment planning is ongoing and demolition is expected around July 2022.

In Wellington City, it is also important to know that Kāinga Ora is focussing its redevelopment activity on its larger, contiguous sites that are delivering a greater number of public homes. Developments that are under construction include:

- Arlington, Mt Cook – 300 homes
- Rolleston, Mt Cook – 80 homes

Examples of developments in the planning stage, with construction starting in 2022 and 2023 include:

- Evans Bay, Kilbirnie – 80 homes
- Adelaide Road, Newtown – 50 homes

Please note that as per our response to your earlier request (OI 22 088) the specific street addresses are withheld under section 9(2)(a) of the Act which allows for the withholding of information to protect the privacy of natural persons.

Please provide figures on the 10 most valuable Kainga Ora properties that are currently vacant, and supply the same information about these properties as requested in the attached OIA response.

Please refer to Attachment Two for this information. This provides details on currently vacant public houses that are single dwellings located on an individual title.

Please note that as per our response to your earlier request (OI 22 088) the specific street addresses are withheld under section 9(2)(a) of the Act which allows for the withholding of information to protect the privacy of natural persons.

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

Please note that Kāinga Ora proactively releases our responses to official information requests where possible. Our response to your request may be published at <https://kaingaora.govt.nz/publications/official-information-requests> with your personal information removed.

Yours sincerely

A handwritten signature in blue ink that reads "Rachel Kelly". The signature is written in a cursive, flowing style.

Rachel Kelly
Manager – Government Relations

Attachment One – Longest Vacant Kāinga Ora Public Houses (as at 30 April 2022)

Property Location	Number of Bedrooms	Year built	Floor area m ²	Weekly rent*	Days Vacant	Reason Vacant
Miller Place, Lyall Bay, Wellington	3	1977	120	\$673	2158	Pending redevelopment
Waddington Dr, Naenae, Lower Hutt	3	1956	90	\$556	1860	Pending redevelopment
Hobson St, Auckland Central	1	2005	30	\$390	1622	Renewal and maintenance
Hobson St, Auckland Central	2	2005	46	\$494	1617	Renewal and maintenance
Hobson St, Auckland Central	1	2005	27	\$368	1564	Renewal and maintenance

Please note: the weekly rent indicated in this table is what was collected by Kāinga Ora when it was last tenanted. The actual amount paid by tenants may have been different due to other revenue streams such as Income-Related Rent Subsidies.

Attachment Two – Most Valuable Vacant Kāinga Ora Public Houses (as at 30 April 2022)

Property Location	Number of Bedrooms	Year built	Floor area m ²	Weekly rent*	Days Vacant	Reason Vacant	Value*
St Georges Road, Avondale, Auckland	3	1930	100	\$532	39	Pending redevelopment	\$2,159,000
Holbrook St, Avondale, Auckland	7	1959	220	\$870	60	Pending redevelopment	\$1,920,000
Glennandrew Dr, Half Moon Bay, Manukau,	2	1978	80	\$495	10	Ready to let	\$1,907,000
Jefferson St, Glendowie, Auckland,	4	1965	115	\$776	9	Ready to let	\$1,849,000
Westmere Cres, Westmere, Auckland	3	1938	110	\$766	16	Ready to let	\$1,838,000
Matatua St, Orakei, Auckland	1	1942	130	\$423	169	Under disposal – sale	\$1,833,000
Parrish Rd, Sandringham, Auckland	3	1940	100	\$703	16	Ready to let	\$1,757,000
Revel Ave, Mount Roskill, Auckland	3	1958	90	\$611	320	Pending redevelopment (property is part of Roskill Development)	\$1,733,000
Kingsway Ave, Sandringham, Auckland	4	1930	110	\$671	130	Pending redevelopment	\$1,727,000
Sandringham Rd, Mount Roskill, Auckland	3	1956	90	\$596	541	Pending redevelopment (property is part of Roskill Development)	\$1,726,000

Please note: the weekly rent indicated in this table is what was collected by Kāinga Ora when it was last tenanted. The actual amount paid by tenants may be different due to other revenue streams such as Income-Related Rent Subsidies.

The 'value' is based on the property revaluations that Kāinga Ora performed as at 30 June 2021. Kāinga Ora does not report or centrally record Rateable (Capital) Value as used by Councils to set rates. Over time, the Rateable Value tends to diverge from the current market value, until new valuations are set.