

Development and Construction matters



Message from the Chief Executive – Andrew McKenzie

In a unique year full of new challenges, Kāinga Ora is thankful to you, our build and development partners, subcontractors and suppliers, for your hard work and flexibility in coping with those challenges.

From Southland to the Far North, our partners delivered new homes at a rate of around five a day. This activity provided hundreds of New Zealanders with a warm, dry place to live, played a critical role in addressing the country's housing shortage, and helped revitalise regional economies at a time when they needed it most.

Your response to COVID-19 was outstanding, with thousands of people working together quickly and efficiently to secure hundreds of building sites ahead of the nationwide lockdown. These same workers hit the ground running as soon as it was

deemed safe to return to work. Your hard work, cooperation and adherence to COVID-19 protocols through the year has been exceptional.

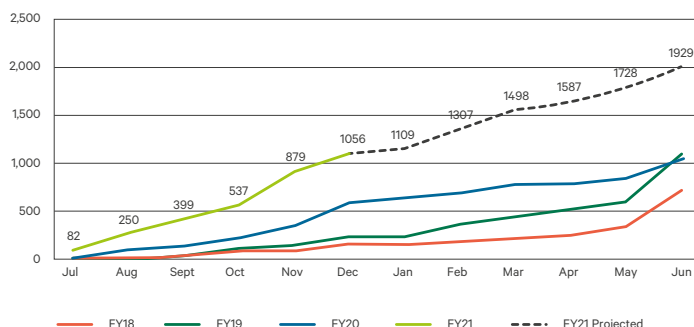
There were many other key moments during this year. We continued to expand our Construction Partnering Agreements programme, with four Christchurch build partners signing long-term construction contracts to produce at least 360 homes over the next three years.

The release of our **Building Momentum** plan was also a significant milestone. The plan outlines how we will work with the wider construction industry to deliver on our ambition for better state homes.

Kāinga Ora also re-shaped itself to be better positioned to further deliver on our mandate. We moved to a place-based structure this month, to help build our capability and leadership in the regions. Three new deputy chief executives (DCEs) have been appointed, enabling us to work closer with our customers, partners and communities. These are listed in the box to the right:

Looking ahead to 2021, our building momentum is only likely to increase, with more than 7,000 homes in the pipeline for the next three years. Innovation and technology will play a significant part in our success, as we expand our offsite manufacturing and research and development capabilities. Month-by-month increases in our redevelopment activity are shown in the graph to the left:

Completed and projected new homes



Our next bulletin will reach you in February 2021. Until then, I wish you and your whānau all the best for the holiday season.

Our priorities

- Building capability in the regions
- Filling the pipeline
- Delivering market homes
- Keeping you informed

Our new regional DCEs

- Caroline Butterworth**, DCE Auckland and Northland
- Daniel Soughtton**, DCE Central
- Paul Commons**, DCE South Island

Message from our land development, construction and urban planning leaders

We, together, reiterate the comments of our chief executive above. Our partners have been outstanding this year in helping us to deliver the state, market and affordable homes New Zealanders so badly need. And we're now able to consider proposals and respond to enquiries about **specified development projects** under the Urban Development Act. We look forward to updating you in the New Year as to how that work is progressing.

Consentium close to operational

As mentioned in the October edition, a Kāinga Ora Building Consent Authority is expected to be up-and-running shortly. Consentium achieved accreditation from the independent auditor IANZ in late November. Registration through the Ministry of Business, Innovation and Employment is expected to be confirmed soon.

Once registered, Consentium will process state house building consents of up to four levels independently of councils, as well as provide inspections and Code

Compliance Certification (CCC). Building consents for all other Kāinga Ora homes will continue to sit with councils. Design and build partners will receive an email confirming registration, as well as the date that Consentium will go live, as soon as the information is available.

Greys Ave project under construction

Construction of our flagship **139 Greys Avenue development** in central Auckland is now underway.

Headed by Icon Construction, the project will deliver 276 apartments and engage up to 300 workers and subcontractors. At least 28 apprentices will also be involved in construction as part of our commitment to providing wider social outcomes.

Once complete, the development will include a community hub, Kāinga Ora office, 24/7 concierge and around 1,000 square metres of commercial space.

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



Patrick Dougherty
General Manager
Construction and
Innovation



Caroline McDowall
General Manager
Commercial



Mark Fraser
General Manager
Urban Development
and Delivery



Katja Lietz
General Manager
Urban Planning
and Design

Better outcomes through deconstruction

Highbury Triangle is the **second public housing deconstruction project** for Kāinga Ora. The nearly 9,500 sqm site in Auckland's Avondale forms part of a pilot programme whereby 45 existing houses were removed using deconstruction.

This type of site clearance seeks to reuse and recycle as many construction materials as possible which may otherwise go to landfill.

Kāinga Ora adopted an 80 percent diversion from landfill target across its large scale development projects several years ago. This target was recently extended to include small to medium sized public housing developments in Auckland. Diversion targets will follow in other regions soon.

In total, 90 per cent of materials at **Highbury Triangle** were recycled or reused by deconstruction company TROW Group. The approximately 1337 tonnes of removed materials included about 947 tonnes of concrete, 141 tonnes of general rubbish, 186 tonnes of wood, 27 tonnes of metal, 22 tonnes of green waste and 13 tonnes of reused materials.

The project was completed two weeks early and costs were comparable to traditional demolition techniques. Saia Latu, General Manager of TROW Group, says by salvaging materials the company aims to assist with community development.

At Highbury Triangle, this included employing three Avondale locals and sending four shipping containers of reusable materials to Tonga to be sold or donated to help rebuild schools, churches and houses.

Timber was also repurposed for the **P.O.P Up 828 Maketi** (market), which was held at a nearby Kāinga Ora site during the Highbury deconstruction. TROW Group offered Pasifika and Māori organisations free market stalls to enable them to promote their businesses and encourage entrepreneurship. Programme Director Nick Howcroft says the deconstruction exceeded expectations. "It's changing the way we as an industry think about demolition. If we consider sustainability and social outcomes as key drivers in property development, we're going to build better communities and cities."



45 existing houses in an Avondale development were removed using deconstruction

Strong demand for KiwiBuild homes sees rise in ballot sales

Robust demand for **KiwiBuild homes** has resulted in multiple developments being sold by ballot draw. While many KiwiBuild homes are still sold by direct sale, developments that are likely to be met with a high level of demand are sold by ballot, as the fairest sales method to meet demand for these well-priced, quality homes.

In October this year, sales of KiwiBuild homes rose 20% from the previous month and increased by 50% when compared to October 2019.

Seven KiwiBuild ballots were run this year. While one ballot was run for apartments in Wellington, most of the demand has been in Auckland, where ballots were held for KiwiBuild homes in Northcote, Hobsonville, Mt Roskill, Te Atatū, Totara Park and Takanini.

The Totara Park development, Ormiston Rise, went to market with the first 27 three-bedroom properties available by direct sale. All 27 KiwiBuild homes were under contract within three days. The high demand has meant the most recent release of 47 three-bedroom homes at Ormiston Rise was made available to purchase via ballot.

The ballot sales method has proved itself to be a popular way of dealing fairly with the increase in demand this year. Opening day entries for Burnett Ave, Mt Roskill, were up 60% on the previous Auckland ballot.

Another recent release of 50 KiwiBuild homes at Kauri Landing went to ballot after a flood of interest followed the sales announcement. All these properties are currently under offer after the ballot closed on 4 December.



A render of a three-bedroom Kauri Landing home

As of the end of October 2020, KiwiBuild had:

- 955 homes sold to 1,473 new home owners
- 916 homes under construction
- 652 homes built (since June 2018).



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