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Te Kaunihera o Ahuriri

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ORDINARY MEETING OF COUNCIL

Housing Review Hearings

Open Agenda

Meeting Date:	Wednesday 18 May 2022
Time:	10.00am
Venue:	Large Exhibition Hall Napier War Memorial Centre Marine Parade Napier
	Livestreamed via Council's Facebook site

Council Members	**Chair:** Mayor Wise **Members:** Deputy Mayor Brosnan, Councillors Boag, Browne, Chrystal, Crown, Mawson, McGrath, Price, Simpson, Tapine, Taylor and Wright
Officer Responsible	Chief Executive
Administrator	Governance Team
	Next Council Meeting Thursday 2 June 2022

ORDER OF BUSINESS

Karakia

Apologies

Councillor Wright

Conflicts of interest

Announcements by the Mayor including notification of minor matters not on the agenda

Note: re minor matters only - refer LGOIMA s46A(7A) and Standing Orders s9.13

A meeting may discuss an item that is not on the agenda only if it is a minor matter relating to the general business of the meeting and the Chairperson explains at the beginning of the public part of the meeting that the item will be discussed. However, the meeting may not make a resolution, decision or recommendation about the item, except to refer it to a subsequent meeting for further discussion.

Announcements by the management

Agenda items

1 Council Housing Provision..3

Minor matters not on the agenda – discussion (if any)

Public excluded 154

AGENDA ITEMS

1. COUNCIL HOUSING PROVISION

Type of Report:	Operational and Procedural
Legal Reference:	N/A
Document ID:	1460520
Reporting Officer/s & Unit:	Natasha Mackie, Manager Community Strategies Adele Henderson, Director Corporate Services Darran Gillies, Acting Director Community Services

1.1. Purpose of Report

This report summarises the feedback provided by the community on the three options presented for consultation regarding the future provision of community housing to inform Council in its decision-making on this matter.

Officer Recommendation

1. That Council makes a decision to progress one of the following options for implementation in relation to Council's housing portfolio:
   a) Keep all of the existing portfolio (Status Quo) – implement a public / private benefit approach and implement a cost recovery rent setting policy **OR**
   b) Keep most of the existing portfolio (Part Retain / Part Sell) - implement a public / private benefit approach, implement a cost recovery rent setting policy, and use any sale proceeds to kickstart a reserve to lower rates and rents contribution while also allowing time for other opportunities to be developed (e.g. new developments) **OR**
   c) Keep none of the existing portfolio (Transfer / Sell) – exploration of the transfer options (e.g. lease, trust, sell) should be completed prior to a final proposal through a Long Term Plan or Long Term Plan amendment.

2. Subject to Council's decision, a full plan will be developed outlining the next steps, including the specific consultation processes required for the option selected to progress.

1.2. Background Summary

In 2018, a Section 17A of the Local Government Act 2002 (LGA) review of the housing activity was completed. This review identified ongoing sustainability issues with the current delivery model and a detailed review was initiated.

Following the Strategic Review of Housing and subsequent options for its future provision being developed, Council resolved to consult the community via a Special Consultative

Procedure on 10 March 2022. This consultation has been completed, and sought feedback from the community on all three options as follows:

- Keep all of the existing portfolio (Status Quo) – Council owns and manages all of its housing.
- Keep most of the existing portfolio (Part Retain / Part Sell) – Council sells its three social housing villages and develops new units on two of its nine retained retirement sites.
- Keep none of the existing portfolio (Transfer / Sell) – Council sells or transfers all of its housing to another entity in the social housing sector.

Consultation was undertaken between 16 March and 20 April 2022.

A summary of consultation activities, including specific initiatives to support current tenants to engage with the proposals, is attached. SIL Research analysed the submissions, identifying the key themes emerging from the feedback received. The SIL Research report is attached.

1.3. Consultation summary

This section summarises consultation undertaken. While community feedback is received, Council's decision-making should consider the wider context including impacts on those who did not submit, along with the economic, social and financial information provided.

A total of **286** unique submissions were received, including response from 23% of Council housing tenants (**88** submissions). Several submissions included collective responses from one of the housing villages, bringing the number of tenants providing feedback to **103**. There were **14** submissions made on behalf of groups or organisations. Two submissions were received from housing providers, both of whom selected the transfer/sell option.

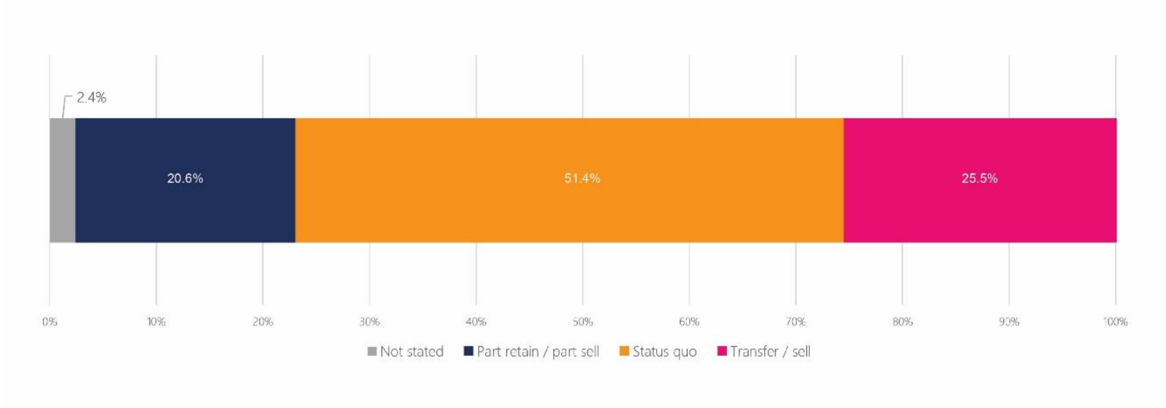
The consultation asked submitters two substantive questions:

- Which of the three options they preferred, and
- If they selected one of the options which would still result in a shortfall to Council, how they thought that shortfall should be funded, with options given for '100% rates funded', '100% rent funded', or 'a combination of rates and rent'.

The feedback received about those two components of the consultation is summarised in the following two sections.

1.3.1. Question One: feedback on the options

The following diagram shows the breakdown of submitters' preferences in relation to the three options presented.



There was strong support for Council to retain the housing activity in some capacity (72%), with 51.4% support for keeping the entire portfolio (42% of tenant respondents) and 20.6%

supporting keeping the retirement housing portion (35.2% of tenant respondents). Of the 103 tenants who submitted, 17% preferred that Council retain the entire portfolio.

Over 45% (46.1%) of all submitters supported the transfer of some or all of the portfolio to another entity. Of those 25% (25.5%) of the submissions supported the option for Council to transfer / sell all of its housing.

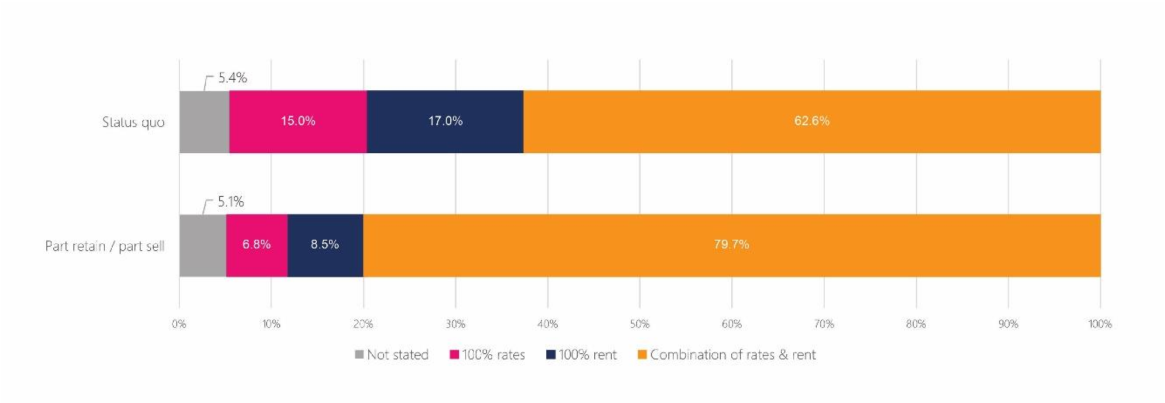
High level themes expressed by people across these two broad preferences are summarised in the table below.

Preference	Themes
Retain in some capacity	• If keeping all of the housing is not possible, at least keep most • Strong support for keeping housing for older people and those with disabilities • Council has a responsibility to protect, particularly older people, and particularly in the current housing climate • Lack of maintenance needs to be addressed • Concern the decision has already been made and/or how the options would be implemented
Transfer/sell	• Other providers are better suited to provide this specialist service • Social housing provision was not the responsibility of Council or ratepayers • Council should focus and prioritise its other service • Increasing rates to help fund the service would be a burden to ratepayers, particularly for those on fixed incomes or first time home buyers with substantial mortgages • Suggestions about how any sale proceeds could be spent (e.g. reducing rates by spending it on existing services and projects, investing in community projects and/or supporting vulnerable community members, e.g. older people).

1.3.2. Question Two: Feedback on how any shortfall should be funded:

The two options that see Council retaining all of its portfolio (Option One: “Status Quo”) or part of it (Option Two: “Part Retain / Part Sell”), would result in an annual shortfall over the forecasted 25-year period per the modelling prepared for Council by consultant PwC.

Regardless of option preferred, the majority of submitters supported a ***combination of increased rates and increased rents*** to cover the shortfalls.



Affordability was a key theme identified for consideration. Some tenants identified they would be comfortable with an increase to their rent if it meant that they could stay in their flat. There were some tenants who identified they would struggle to pay market rents or any significant increase to rent.

1.4. Key Submission Themes

Submitters had the option to include comments to give more detail and context to their submission. Key themes that emerged are summarised below, along with brief comments from officers where relevant.

1.4.1. Responsibility to provide housing

There were differing views expressed about whether Council should provide community housing.

Submitters who selected the option to retain some or all of the housing tended to suggest Council had a responsibility to provide housing to vulnerable members of the community identifying the role Council had in social development and community wellbeing. They identified they were supportive of a rates contribution to continue the housing provision.

Those who contradicted this sentiment tended to have selected the transfer / sell option and suggested others, particularly central government, had the responsibility to deliver housing for the community and that Council should focus on other priorities. Some submitters commented that ratepayers should not subsidise tenants, particularly those ratepayers who were struggling themselves.

1.4.2. Provision of housing to Older People

Many submitters, particularly those that selected the option where the social villages would be divested, commented that the focus should be on providing housing to older people. Several identified that Napier's population was ageing and there would be many needing affordable rental housing in the future. Concern was expressed by some that there would be nowhere for the new cohort of older renters to go if the portfolio was sold. Council has acknowledged this concern by imposing a condition on the sale for the housing to remain as housing for older people and people with disabilities.

1.4.3. Maintenance

Several submissions referred to housing units not currently complying with the Healthy Homes Standards.

Officer comment

Council is required to have its whole portfolio comply with the standards by 2024, and since July 2021 all new tenancies had to comply within 90-days of the tenancy starting. The heat pump and ventilation installation roll-out is underway which complements the work on drainage and insulation already completed. Council's portfolio will meet the standards well before the 2024 deadline.

1.4.4. Security and protection for tenants

Some submitters raised concerns about families being placed within retirement villages. There were particular concerns expressed about villages becoming unsafe with the placement of tenants with complex situations and needs, and particularly with Kāinga Ora reluctant to terminate tenancies.

Officer comment

The typology of the housing in retirement villages being one bedroom units, with the exception of a two bedroom unit in Arthur Richards and a three bedroom house on the edge of Greenmeadows East, preclude the placement of families in retirement units. Council has identified it would place conditions on any sale of the retirement units for them to remain as housing for older people and people with disabilities as well as protecting current tenants.

1.4.5. Scepticism

Submissions from tenants were more likely to question the validity of the information provided and particularly how the current situation had arisen. Comments around the decision to sell having already been made were more likely to come from tenant submissions, despite repeated confirmation from the Mayor and Council that this is not the case.

Officer comment

The PwC modelling used financial and asset information provided by Council and consultants to forecast future income and costs.

The Funding Policy of 2001 (clause 5.4.10) states that contributions from rates (equivalent to annual depreciation) was reserved until June 2001.This reserve has been fully utilised.

Council's housing is a separate cost centre within the financial system. In 2015, a fund was established to ring fence the housing financials away from the rest of the Council's financials.

Research into this has identified that only maintenance expenditure was ring fenced at the time, and this was corrected in 2019, when all of the housing activity was fully ring fenced.

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1.4.6. Alternative options

There were a number of alternative options suggested through the submissions, generally they are a variation on one of the options presented. These suggestions included:

Alternative option suggested	Detail	Officers' comment (if relevant)
Transferring the operation of the service	A suggestion to contract the operation of the service to a private tenancy provider was made, with another suggestion to create a standalone unit to run the service. These suggestions cited that costs would be significantly reduced and service increased. In both these suggestions it appears that Council would still own the asset and as such could retain responsibility for the asset condition, and corporate overheads would need still need to be funded	Should Council opt to retain housing, there may be appetite to investigate these suggestions further, particularly the standalone unit which would align to the option presented where Council owns and manages the housing.

Use 'Three Waters' money	There was a suggestion that the funding the Government will provide to Council as part of the Three Waters Reform could be utilised for the housing activity.	
Improve quality/quantity	Some submitters noted the housing shortage and rising demand for affordable rental housing for older people. They suggested Council needed to improve the quality of housing it offered and also to increase its portfolio.	
Expand eligibility criteria	There were a couple of submitters who suggested an *expansion of the criteria* to increase the mix of tenants to include those who can afford to pay more e.g. working families to generate more income. However, there were many submitters who were concerned about mixing families in with older tenants	The Part Retain / Part Sell option identifies redevelopment of the Hastings / Munroe village and for it to become a market rental village to generate increased income.
Lobby Central Government	Some submitters suggested Council lobby the Government for central government support.	Council has lead several remits, supported by a large number of other councils, to the Government for it to consider changing the application of the Income Related Rent Subsidy to include councils as well as providing other support in order for councils to retain the provision of community housing. There is no indication of any change in government policy.

Wait	One submitter suggested Council should wait until the Local Government Reform process was completed before exiting the housing activity.	This matter was identified as a consideration for Council in the February report. A draft report on the Local Government reform for public consultation is due in September 2022. This should provide information on the direction the reform may take and allows for adequate time for adjustments to the option pathway the Council selects, before implementation makes the decision irreversible. Note that a September publication date will coincide with the period before the 2022 triennial election
Sale through the open market	Suggestions to sell homes to first home buyers or to investment syndicates were offered	Separation through subdivision could be difficult given the typology of the homes (attached in blocks) along with communal land areas. Challenges may arise with villages containing multiple owners.

Lease	A submission from Soho Group proposes an initial ground lease arrangement, with the option to purchase some sites in the future. The Soho Group would then demolish a small number of units and rebuild (to a higher density) to achieve growth to around 833 units – a doubling of capacity	This proposal appears to fit predominately into the transfer / sell option with all of the buildings being transferred, but Council having the opportunity to retain some of the land. The submission is silent on whether a sale of the buildings is intended. Future use of any leased land would be limited given the development intentions. The proposal identifies the proposed conditions regarding the retention of current tenants and the future use of the current units would be able to be met. Should the option pathway be to transfer some or all of the portfolio, the proposal from Soho Group, and potentially others, could be further explored. The option to lease the portfolio (housing and land) to a Community Housing Provider was tested through a market sounding exercise with a range of providers with little appetite being shown given the inability to utilise the asset for further development and/or financing. However, Emerge submitted that it could be interested in a lease arrangement for the Social villages.
Establish a Housing Trust	A few submissions suggested Council instigate the establishment of a Trust that could become a Community Housing Provider, gifting the portfolio to the Trust. There was reference to the idea of several local councils pooling their portfolios together through a regional Trust.	This is an option that is included in the Transfer / Sell option with the acknowledgment that such a Trust would take some time to establish and would require agreement from other councils (for a regional approach).

Maintain / Upgrade	Several submitters identified their preference was to use any sale proceeds from the divestment of the social villages to reinvest in the remaining villages. Some said there was no need to develop new units, while others thought new development could be done later. One submitter suggested the Hastings/Munroe St village could be included in the social village sale given the relative ease of relocating four tenants.	

1.5. Significance and Engagement

The next stage of proposed consultation impacts differ between the option pathways. The consultation methods are driven by legislation and/or policy.

The following table summarises the consultation approaches for each option. If a rent setting change is required, an amendment to the operational policy can be made. Where a rates contribution is required policy changes are required to the Revenue and Financing Policy and the rates caps. If the transfer of ownership or control is preferred, this must be exercised through Council's Long Term Plan ('LTP') (or and LTP amendment process). The options that involve development of sites of significance for Māori provide opportunities for partnership and consultation with mana whenua is vital.

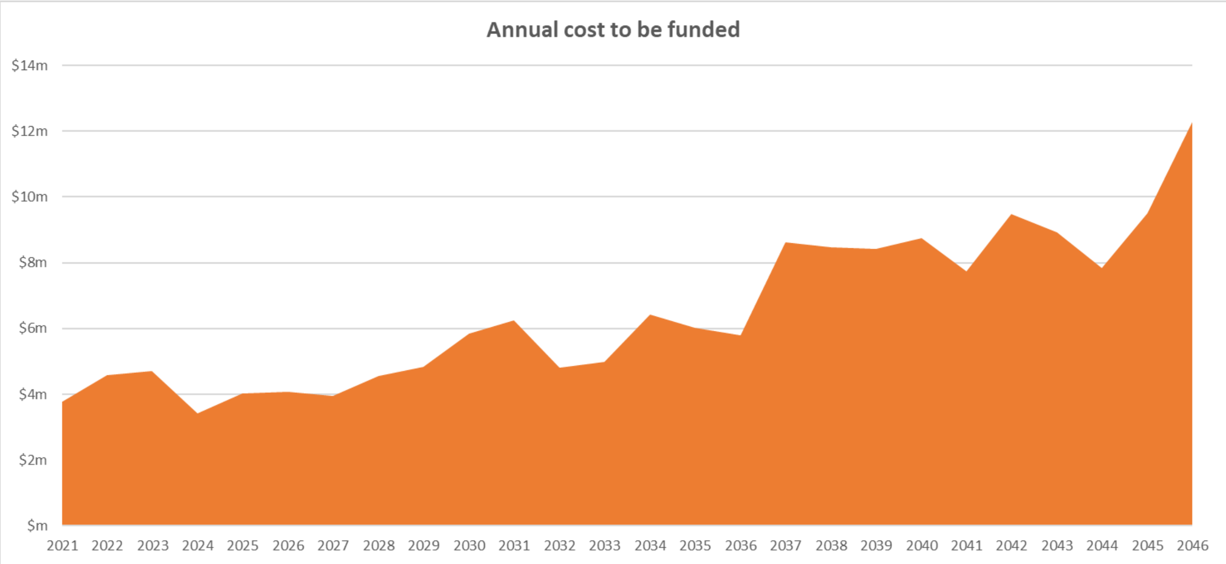
Once an option pathway is selected, a full Consultation Plan will be developed within the broader project planning process.

OPTION			Consultation
Keep all	**Keep most**	**Keep none**	
Rent change	Rent change		**60 day notice to tenants** 1 September 2022
Rates change	Rates change		**Annual Plan 2023/24 or LTP amendment consultation** By 1 July 2023
Combination of rents and rates change	Combination of rents and rates change		**60 day notice to tenants** 1 September 2022 (rent) **Annual Plan or LTP amendment 2023/24 consultation** By 1 July 2023 (rates)
	Sale of Some Villages	Sale of All Villages	**LTP amendment** Or **Next scheduled LTP** By 1 July 2024

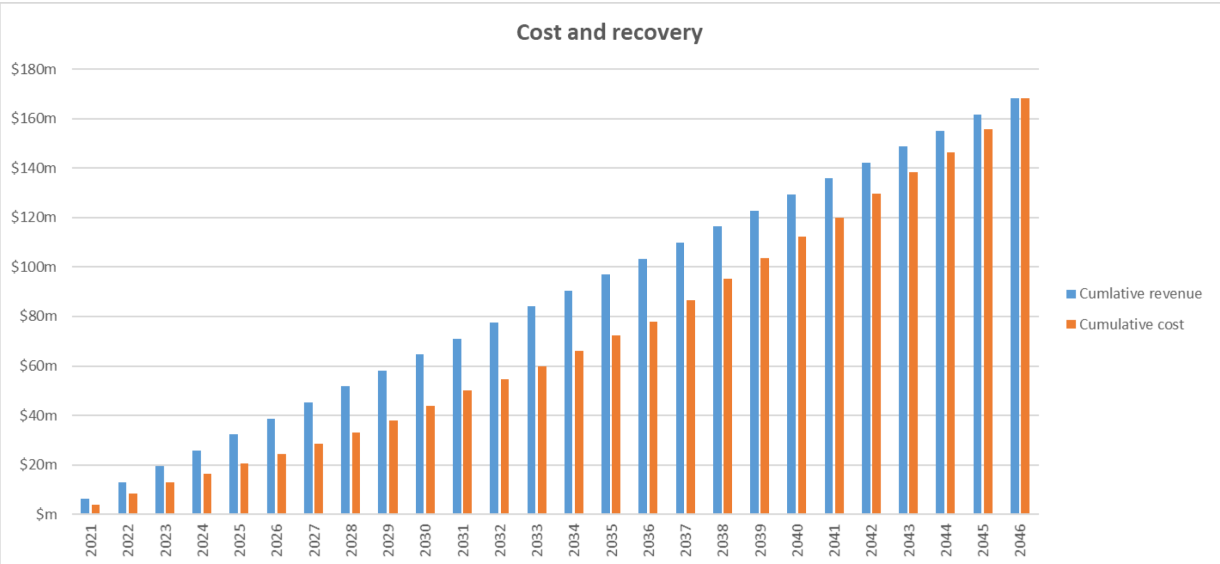
1.6. Financial Implications

The current delivery model requires Council to loan fund anticipated shortfalls of approximately $2.2 million P/A, identified as a short term measure in the LTP 2021-31 until a decision could be made regarding the future provision of housing.

Should the Council elect to keep all or most of its community housing, an increase to rates and / or rents is required to fund the projected annual operating shortfalls. Actual expenditure, particularly on repair, maintenance or renewal may vary from the SPM modelling and, should they occur earlier, would be challenging to complete given the lack of cash reserves and the time needed to build these up. This could be addressed by loan funding for early deficits while a reserve fund is built up. The 'lumpiness' of the expenditure is also difficult to manage from year to year. The following graph illustrates the fluctuating costs for the keeps all scenario.



The usual practice of 'smoothing' can be applied to address this issue, whereby reserves can be built up over time to respond to fluctuating costs. In order to achieve this over the 25 year period in the model, it has been estimated that income of $6.4 million is required annually to build a reserve to pay for current costs and anticipated costs over time (keep all option) or $4.5 million (keeps most option – with no development). The following graph shows how the costs and revenue would accumulate for the 'keeps all' scenario on this basis.



1.6.1. Value of portfolio

An assessment of the portfolio was undertaken in April 2022 in order to provide up to date valuation information to include in the modelling for the options involving the transfer of the portfolio. The following table also identifies the market valuation figures utilised in the PwC review (2020) as well as rating valuation material.

Village	Market Valuation 2022 (HBU)	Market Valuation 2022	Market Valuation 2020	Rating Valuation 2020
Wellesley	8,445,000	8,120,005	6,250,000	3,990,000
Nelson	3,900,000	3,840,000	2,860,000	2,120,000
Carlyle	9,455,000	9,600,000	7,045,000	4,900,000
Total Social	**21,800,000**	**21,560,005**	**16,155,000**	**11,010,000**
Greenmeadows East	14,315,000	12,480,000	9,245,000	3,730,000
Arthur Richards	12,885,000	13,000,000	8,055,000	3,160,000
Rangi Marie	4,565,000	4,560,000	2,985,000	1,740,000
Otatara	3,660,000	3,600,000	2,265,000	940,000
Oriel	5,260,000	5,300,000	3,065,000	1,660,000
Henry Charles	18,600,000	18,630,000	11,095,000	5,550,000
Hastings/Munroe	1,610,000	1,220,000	965,000	1,160,000
Centennial	10,155,000	10,000,000	6,615,000	3,250,000
Coventry	8,235,000	7,905,000	4,905,000	2,580,000
Total Retirement	**79,285,000**	**76,695,000**	**49,195,000**	**23,770,000**
Total	**101,085,000**	**98,255,005**	**65,350,000**	**34,780,000**

HBU – Highest and best use

1.6.2. Policy adjustments

Revenue and Financing Policy

In order to introduce a new funding mechanism to allow a partial contribution to the activity from rates, the Housing section in the Revenue and Finance Policy will require adjustment to identify the public / private percentage split.

Considerations have been made against requirements in section 101 of the LGA, analysis of financial information including funding requirements, tenant income and benefits, and market rent parameters. The outcome of this process identifies a split of 25% public (rates) to 75% private (rent) split. The assessment is attached.

Any adjustment to the Revenue and Financing Policy would require consultation which would be undertaken in conjunction with the Annual Plan 2023/24 Consultation process.

1.6.3. Rent Setting Policy

Current rental income does not sustain the housing activity and if the shortfalls are not fully met by rates, a rent increase and rent setting policy change is required.

Typically there are three different types of rent setting policies that are used in councils:

1. **Percentage of Market Rent:**

   Subsidies are provided by charging less than the full market rent. The percentage of market rent is set considering rent affordability and cost recovery. Percentages used by other councils range between 60% and 90%. This approach requires regular market rental review and in the recent market, can result in large rent increases which often results in pressure to reduce percentages (increase subsidies) or freeze rents which in turn result in rents becoming significantly out of sync with the market and rental policy.

2. **Proportion of Tenant income (current setting):**

This is Council's current setting. The proportion is set in line with what is considered an 'affordable' level – 30% of income. The income received through this setting does not cover the cost of the activity. This rent setting approach within the social housing portfolio relies on up to date accurate information being provided by tenants and has resulted in situations where tenant's rent is under $100pw for 2 and 3 bedroom properties.

There is a lower level of certainty around total income levels with this approach as it is highly dependent of the make-up of the tenant cohort at the time.

3. **Cost Recovery (preferred setting):**

Rents are set to cover the projected costs of the activity. Rents still need to be within market rent parameters. Because costs fluctuate from year to year, it would be necessary set an ongoing annual requirement to smooth costs and to build up a reserve. This would result in some year's income being over the expenditure and vice versa.

Financial modelling for this approach has been completed. This approach provides more certainty of income, with income covering present and future costs and would be less affected by the rental market increases. Given the uncertainty and variability around market rents and the unsustainability of the current rent policy, the cost recovery approach is recommended should Council retain all or most of its housing. Cost recovery modelling is already adjusted for inflation, therefore a review of cost recovery requirements could take place alongside the LTP budget development process (every three years), where costs and asset condition assessments can be considered.

1.6.4. Accommodation Supplement

Tenants receive any applicable Accommodation Supplement (AS) directly from the Ministry of Social Development (MSD). The AS is determined by a number of factors including rent amounts, income and benefit types. An individual and whanau situation is assessed and the entitlement is granted. Council does not collect information about its tenants access to AS, however, indicative information from MSD according to the main benefit types applicable to Council tenants has been utilised to assess rent amounts that could address the sustainability issues with Council ownership, without creating unreasonable affordability issues, using the public / private split assessment as a basis. The examples are provided in the Development of Options section of this report.

1.6.5. Rates

Should either retention option be favoured (Option One: "Status Quo" or "Option Two: Part Retain / Part Sell"), a contribution from rates has been established as required in recognition of the public / private benefit split and the purpose of the activity to provide affordable rental housing. The current modelling identifies that the 25% / 75% split will breach the rates caps of 9.7% for 2023/24 set in the current LTP. The effects are identified in the table below – percentages in brackets show the required amended rates cap for each of the options.

Rates Cap & projected	Keeps All	Keeps Most (without new development)

increase 2023/24				
	25/75 split*	100% rates	25/75 split	100% rates
9.7% (total rates)	2.4% (12.1%)	3.8% (13.6%)	1.6% (11.3%)	2.3% (12%)
25/75 split (cost recovery model) – total cost of service * based on 95% occupancy 100% (current income based rent model) - total cost minus current income = deficit (funded by rates) Includes reserve requirement				

A rates impact resulting from the decision would be consulted on as part of the 2023/24 Annual Plan Consultation, where the rates cap amendment would also be identified.

1.7. Social & Policy Implications

The question of whether or not Council should provide community housing was introduced through the consultation process. There were differing views submitted. Those who preferred Council's retention of housing tended to comment that Council had a responsibility/duty to look after vulnerable residents, while those who preferred Council to transfer the housing tended to comment that Council had no role to play in providing housing – that it was a central government responsibility. It is noted, that the preference appears to be that Council provides housing for older people and people with disabilities.

Council is a key contributor to community wellbeing, and secure and affordable housing is considered a key driver of wellbeing. Councils have several instruments to influence access and availability of housing. Some councils provide low cost rental housing directly, like Napier, while others have either never provided housing or have opted out of providing housing. There is still a significant demand for affordable rental housing, even where councils provide community housing.

The future provision of housing potentially impacts current and future ratepayers. It was noted in the submission feedback, that a rates contribution may require those who are financially challenged to subsidise those who are equally or less financially challenged. While this could be the case, the land and buildings associated with the housing service, are assets owned by the community. As with other Council assets, they form part of Council's balance sheet, enabling the ability for Council to raise loans.

A consideration for Council in its decision-making are the government reforms underway and the potential impacts of the transference of Three Waters and any changes to the role and function of local government moving forward. Opting out of community housing may diminish Council's status should more emphasis be placed on councils taking a greater role in the provision of local community infrastructure (e.g. housing) in the future.

Tenant welfare is a key consideration for Council in this process. It is acknowledged that this process has caused anxiety for some. Submissions from tenants, in particular, confirm there is concern about the ongoing security of tenancy. The conditions for any sale are aimed at protecting current eligible tenants and this continues to be communicated.

1.8. Risk

1.8.1. Information Currency

The PwC report that was used to arrive at the three options presented for consultation, was based on the most up to date information at the time. Some pricing, particularly with reference to the new development proposals, has increased significantly in the intervening period. Challenges with securing contractors for construction and supply chain issues are also occurring, driving costs up and capacity down.

Efforts have been made to update some information for this report including the provision of new market valuations (including rental valuations), accommodation supplement indications, rent setting options, historical information searches, legal advice and government policy intentions.

It should be noted once an option is selected, further analysis will be undertaken in order to develop a detailed project implementation plan.

1.8.2. Local Government Reform

Opting out of community housing may diminish Council's functions at a time when the Government is reviewing the purpose and function of local government entities. However, any decision to transfer Council's housing will take at least 12 months to initiate. This allows Council to reconsider its position, should the reforms lean towards councils taking a greater role in housing provision, when the Government consults in September 2022.

1.8.3. Long Term Plan Amendment

The options that involve transferring part or all of the housing assets could be dealt with through an LTP Amendment or through the next LTP (in the cycle). An LTP amendment requires additional resourcing and funding of approximately $160,000, with no current budget provision. An amendment assesses matters in isolation. As there are several other projects outside of housing that are currently unfunded, collating all of these within one LTP amendment process could be considered.

Risks associated with each option are detailed within the options section.

1.9. Options

The options available to Council are as follows:

a. Select one of the following three options for Council's housing portfolio, to progress to implementation (preferred):
    i. Keep all of the existing portfolio (Status Quo) – the preference is to implement a public / private benefit approach and implement a cost recovery rent setting policy **OR**
    ii. Keep most of the existing portfolio (Part Retain / Part Sell) - the preference is to implement a public / private benefit approach, implement a cost recovery rent setting policy, and use any sale proceeds to kickstart a reserve to lower rates and rents contribution while also allowing time for other opportunities to be developed (e.g. new developments) **OR**
    iii. Keep none of the existing portfolio (Transfer / Sell) – exploration of the transfer options (e.g. lease, trust, sell) should be completed prior to a final proposal through an LTP or LTP amendment **OR**

b. Do not select an option to progress to implementation – this option would require ongoing loan funding to manage the housing activity. Given loan funding was put in place on a temporary basis until a decision on the provision of housing is made, further consultation would be required. Loan funding without a plan for sustainability breaches Council's balanced budget requirement. This option does not address the issues raised during the review process.

1.10. Development of Preferred Option

The selection of a preferred option is a decision for Council. The implications of each of the three options are summarised in the following section.

1.10.1. Keep All – Status Quo

This option continues to provide housing at current levels of service (377 units). Changes in the Residential Tenancy Act have meant the complexity of providing tenancy management services has increased which necessitates an increase in staffing levels if the service is retained. This option does not result in any additional housing, although there may be potential new development on the Hastings / Munroe and Greenmeadows sites through partnerships and through any government funding should that become available in the future.

Just over 50% (51.4%) of the total submissions and 42% of submissions from tenants support this option. The preference to fund the shortfall was through a combination of an increase to rates and rent (63%). The comments provided to support this view were centred around the feeling that Council has responsibility to provide for and protect vulnerable tenants.

Financial impact

To enable this option to attain sustainability, a reserve fund needs to be built to address the fluctuation of costs year on year. Should costs occur earlier than sufficient reserve funds are available, interim loans may be required and/or work may need to be reprioritised.

Modelling has identified an estimate of $6.4 million pa, each year for 25 years, is required to enable this option to be feasible.

The following table identifies the financial impacts under the three funding options.

Funding Option	Tenant (1bd – single)* pw	Ratepayer (per average household per annum)
100% Rates	No impact	3.8% ($102.60)
100% Rent	$340 pw (168% increase)	No impact
25% Rates / 75% Rent (preferred)	$250 pw (97% increase)	2.4% ($64.80)
*before any accommodation supplement		

Preferred funding model

The cost recovery model with a rates / rent split is the preferred option. This is supported by the Section 101 review provided. The 100% rent model challenges the objective to provide affordable housing with rents being 73% of income (or 51% after AS), while the split model delivers 54% of income (or 35% after AS) – based on the Superannuation Single rate.

The following table shows the financial impact of the rents under the two options affecting tenants both before and after accommodation supplement is factored in. Note accommodation supplement amounts vary according to individual and household situations – the calculations below are based on bands available related to benefit types.

	Before AS		After AS	
	Rent*	% income	Rent*	% income
100% Rent				
Single Retiree	$340	73%	$235	51%
Retiree HH	$544	76%	$389	55%
Single SL	$340	94%	$235	65%
Split				
Single Retiree	$250	64%	$171	35%
Retiree HH	$400	56%	$245	34%
Single SL	$250	69%	$145	40%
HH – Couple / Household	SL – Supported Living Payment		Split – 25% rates / 75% rent	
*Based on rent for a one bedroom property				
**based on current typology formula HH are charged 60% more rent than singles				

Consideration to rents payable by people receiving Supported Living Payment (people with disabilities) should be considered, as a disparity occurs with income percentages due to the lower benefit rate they receive.

Implementation

Increased rents are able to be actioned by issuing a 60 day notice as required by the Residential Tenancies Act. Any rates component will require consultation and amendment to the Annual Plan 2023/24 on the rates increase and corresponding rates cap increase and may require an amendment to the Revenue and Financing Policy, which if significant, would require consultation. Any deficits occurring until full implementation is achieved can be funded through loan funding which is already in place.

Accommodation Supplement amounts will vary between tenants. MSD are able to provide assistance and information around entitlements.

The rent increase after the estimated Accommodation Supplement is approximately 35%. Council could consider phasing the increase over two years, this would require a continuation of loan funding to fund the gap in the first year.

Longer term implications

Keeping all of the housing provides opportunity for a range of options in the future including:

- Review of service levels / operating practises – further review of costs and how efficiencies may be gained through contract and service level agreement reviews.

- Revisit options for shared services – as a number of councils consider their housing delivery options, there may be opportunities for Council to lead a shared service model for other councils – which could be a pre-cursor for a regional housing entity.
- Redevelopment / new development – partnership and funding opportunities may arise in the future which could enact the development opportunities identified during the Strategic Housing Review with consideration of other sites as well.

Other:

Renewal – while this option allows for the projected asset maintenance and repair to be completed including the replacement of component parts, full renewal may still be required in the future. Consideration of funding requirements are still necessary in the medium term.

1.10.2. Keeps Most – Part Retain / Part Sell

This option retains 300 retirement units in eight villages, selling (transfer) the three social villages to an entity within the social housing sector, and using the proceeds to redevelop two sites creating 49 new units. This option focuses Council's housing service on the provision of housing to superannuatants and people with disabilities. The city fringe villages (the three social and the Hastings /Munroe site) lend themselves to higher density redevelopment.

Updated market information estimates the value of the three villages has risen from $16.1 million in 2020, to $21.5 million. A sale to an entity in the social housing market is most likely to occur on a Discounted Cashflow basis (DCF). Consultation with Kāinga Ora, indicated that this is also the basis they would consider if the opportunity was one they would pursue.

In the intervening period from when this option was modelled, construction costs have escalated and contractor and supply availability has become challenging. Should this option be selected, there is a risk that development costs may be far more than originally estimated and actual sale proceeds are unknown.

Just over 20% (20.6%) of the total submissions and 35% of submissions from tenants support this option. There was a strong preference to fund the shortfall through a combination of an increase to rates and rent (79.7%). The comments provided to support this view were centred around the feeling that Council has responsibility to provide for and protect vulnerable tenants. There were comments suggesting that Council should focus on providing housing to older people rather than providing social housing. A number of submissions suggested the sale proceeds should be used to improve the remaining villages rather than for new units.

Financial impact

To enable this option to attain sustainability, a reserve fund needs to be built to address the fluctuation of costs year on year. There is an opportunity to use any sale proceeds to kickstart the reserve fund, reducing the risk of not having sufficient funds to cover early shortfalls and reducing income requirements. Loan funding is still an option until a sale could occur (earliest late 2023) or should there not be enough in the reserve at the time to cover costs. Reserving the sale proceeds allows Council to recast the redevelopment modelling based on current costs and/or delay development until sufficient reserves are built up or when the conditions are more conducive. This approach may also provide leverage for partnership and funding opportunities that would support portfolio expansion.

Modelling has identified an estimate of $4.5 million pa, each year for 25 years, is required to enable this option (part retain/part sell) to be feasible. This includes reserving the sale proceeds. This approach means there are less tenants (305) that pay rent. The following table identifies the financial impacts under the three funding options.

Funding Option	Tenant (1bd – single)* pw	Ratepayer (per average household per annum)
100% Rates	No impact	2.3% ($62.10)
100% Rent	$302 pw (137% increase)	No impact
25% Rates / 75% Rent (preferred)	$227 pw (79% increase)	1.6% ($43.20)
*before any accommodation supplement		

Preferred funding model

The cost recovery model with a rates / rent split is the preferred option. This is supported by the Section 101 review provided. The 100% rent model challenges the objective to provide affordable housing with rents being 65% of income (or 43% after AS), while the split model delivers 49% of income (or 34% after AS) – based on the Superannuation Single rate.

The following table shows the financial impact of the rents under the two options affecting tenants both before and after accommodation supplement is factored in. Note accommodation supplement amounts vary according to individual and household situations – the calculations below are based on bands available related to benefit types.

	Before AS		After AS	
	Rent*	% income	Rent*	% income
100% Rent				
Single Retiree	$302	65%	$197	43%
Retiree HH	$483	68%	$328	46%
Single SL	$302	84%	$197	55%
Split				
Single Retiree	$227	49%	$157	34%
Retiree HH	$363	51%	$208	29%
Single SL	$227	63%	$139	39%
HH – Couple / Household	SL – Supported Living Payment		Split – 25% rates / 75% rent	
*Based on rent for a one bedroom property				
**based on current typology formula HH are charged 60% more rent than singles				

Consideration to rents payable by people receiving Supported Living Payment (people with disabilities) should be considered, as a disparity occurs due to the lower benefit rate they receive.

Implementation

Increased rents are able to be actioned by issuing a 60 day notice as required by the Residential Tenancies Act. Any rates component will require consultation and amendment to the Annual Plan 2023/24 on the rates increase and corresponding rates cap increase. Any deficits occurring until full implementation is achieved can be funded through loan funding which is already in place.

Accommodation Supplement amounts will vary between tenants. MSD are able to provide assistance and information around entitlements.

The rent increase after the estimated Accommodation Supplement is approximately 25%. Council could consider phasing the increase over two years, this would require a continuation of loan funding to fund the gap in the first year.

The housing portfolio is listed as a Strategic Asset and as such the sale or transfer of villages would need to be enacted through a LTP or LTP amendment. At that time, indications on how any sale proceeds would be dealt with can be made. One of the villages, Carlyle Street, is included in the Napier Borough Endowments Act 1876 (NBEA). Legal review of the NBEA with regards to a potential sale concluded that:

> *"there were legally compliant pathways available for each of the proposed options. Importantly, there are strategy options and implementation pathways that are potentially able to preserve, and make workable the spirit and intent of the original endowment purposes (some of which are currently ineffective) which focus on benefits to the community."*

A review of the archives has identified at least three disposals of endowment land. Some of these sales were enacted as a result of Council instigated new legislation that permitted the sale of the portion of the endowment land they sought to divest. There is therefore a precedent for this type of action.

Should Council wish to divest the Carlyle St village and/or the other endowment land site (Hastings / Munroe), it is recommended legal assistance be sought to guide this process.

Property services would also be required to assist with any sale process.

Longer term implications

Keeping most of the housing provides opportunity for a range of options in the future including:

- Review of service levels / operating practises – further review of costs and how efficiencies may be gained through contract and service level agreement reviews.
- Revisit options for shared services – as a number of councils consider their housing delivery options, there may be opportunities for Council to lead a shared service model for other councils – which could be a pre-cursor for a regional housing entity.
- Redevelopment / new development – partnership and funding opportunities may arise in the future which could enact the development opportunities identified during the Strategic Housing Review with consideration of other sites as well. In the meantime the sale proceeds can be held in reserve to either cover costs of the service or future redevelopment. Using it to cover service costs brings the rent and rates increases down.

Other:

- Renewal – while this option allows for the projected asset maintenance and repair to be completed including the replacement of component parts, full renewal may still be

required in the future. Consideration of funding requirements are still necessary in the medium term.
- Irreversibility of land transfer – apart from the ‘first right of refusal’ condition, once the properties are sold, they are removed from Council (community) ownership.

1.10.3. Transfer / Sell

This option would see all 377 units transferred to another entity. Council has already identified its preference is for any sale to be to another entity in the social housing sector, thereby retaining and potentially increasing the availability of community housing in the city. Council also identified the following covenants on any transfer:

- Ensure existing tenancies, under the current (or better) terms and conditions, remain in place
- For the portfolio (in perpetuity) to be used to provide housing to retirement or community tenants, and
- That the Council retains the right of first refusal (on the same sale conditions e.g. basis for sale price) if the buyer was to sell the portfolio.

Just over 25% (25.5%) of the total submissions and 17% of submissions from tenants, support this option. The comments provided to support this view reflected concern for increasing burden to ratepayers and increased rates, along with a belief that another provider was better suited to provide the service. A quarter of comments submitted that social housing was not a Council / ratepayer responsibility. A third of comments suggested the housing should remain focused for older people and people with disabilities. There was concern expressed that this option may not afford current tenants any protection from rent increases or tenancy termination. As well, a number of comments identified a concern about the nature of future tenants and their potential effect on the character of the villages. These concerns have been considered by Council in the development of the proposal, and has resulted in the conditions they have identified for any sale (above).

There were suggestions made as an alternative to selling the portfolio as follows:

- Establish a Housing Trust / CHP – transferring the portfolio to a Trust would require the entity to be completely independent of Council in order for it to successfully operate as a CHP. The assets would likely need to be ‘vested’ to the Trust resulting in no sale proceeds. The forecast costs and liabilities would be removed from Council.
- Lease – two submitters suggested interest in lease arrangements. Any lease arrangement would need to ensure a net positive financial impact for Council.

Financial Impact

A market sounding process was undertaken as part of the Strategic Housing Review. This identified the sale price would more likely be aligned to a Discounted Cashflow approach rather than achieving a market value (including highest and best use) price, given the type of entities Council wished to sell to. The above covenants may also further impact on the price that could be achieved. Any better estimates of sale proceeds can only be indicated by entering into a process to sell.

While direct operational costs would be eliminated, e.g. labour, there will be residual internal costs (stranded overheads) that will need to be spread across the remaining business units requiring a rates contribution. However, if the sale proceeds are invested or used to pay off debt, there will be no impact as the table below shows.

Transfer – Social Housing Sector	**Ratepayer** (based on $40m and 2% interest rates)	**Ratepayer** (based on $50m and 2% interest rates) 2022 Market valuation
Residual costs	0.6%	0.6%
Return on investment of sale proceeds	-1%	-1.4%
Repayment of Council (reduction in interest rates)	-1%	-2.1%
Net rates saving	-0.4%	-0.8% if invested -1.5% if repaying debt

A sale to a Community Housing Provider would not necessarily result in a reduction of rent for sitting tenants as they generally do not have access to the Income Related Rent Subsidy (IRRS) that provides for a rent rate of 25% of tenant income. However, it is understood that Kāinga Ora may have immediate access to the IRRS for eligible tenants.

Implementation

The implementation of this option requires a transfer pathway (e.g. lease / trust / sell) to be selected in order for a detailed implementation plan to be developed.

The housing portfolio is listed as a Strategic Asset and as such the sale or transfer of villages would need to be enacted through a LTP or LTP amendment. At that time, indications on how any sale proceeds would be dealt with can be made. The Carlyle Street and Hastings / Munroe villages are included in the Napier Borough Endowments Act 1876 (NBEA). Legal review of the NBEA with regards to a potential sale concluded that:

> *"there were legally compliant pathways available for each of the proposed options. Importantly, there are strategy options and implementation pathways that are potentially able to preserve, and make workable the spirit and intent of the original endowment purposes (some of which are currently ineffective) which focus on benefits to the community."*

A review of the archives has identified at least three disposals of endowment land. Some of these sales were enacted as a result of Council instigated new legislation that permitted the sale of the portion of the endowment land they sought to divest. There is therefore a precedent for this type of action.

Should Council wish to divest these villages, it is recommended legal assistance be sought to guide this process.

Property services would also be required to assist with any sale process.

Given a transfer may take some time, Council may wish to consider rent / rates increases to cover the intervening forecast deficits or continue to loan fund these until a transfer can be achieved.

Longer term implications

- Removal of the assets from Council's balance sheet, however the amount is not material enough in of itself to affect Council's ability to raise new loans, even if the Three Waters assets were also removed. Currently, Council is able to access $256 million in lending, removing the housing asset would result in a reduction of $6 million to this figure.
- The sale of the housing assets will improve Council's balanced budget position, with the removal of both the housing activity's income and expenditure (which exceeds income). However, the net effect does not allow a balanced budget to be achieved until Year 10 as currently forecast in the LTP 2021-31.
- Irreversibility of land transfer – apart from the 'first right of refusal' condition, once the properties are sold, they are removed from Council (community) ownership.

1.1 Attachments

1 SIL Consultation Summary Report ⇩
2 Market Valuation 2022 ⇩
3 Consultation Summary ⇩
4 Section 101 Assessment ⇩
5 Summary of Submissions ⇩
6 Submissions – All Forms (Under separate cover 1) ⇨

Napier City Council

SIL Research

| Council Housing Provision
Community consultation

May 2022

SIL RESEARCH

NAPIER CITY COUNCIL

Contact: Dr Virgil Troy 06 834 1996 or virgiltroy@silresearch.co.nz

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EXECUTIVE SUMMARY

Between 16 March and 20 April 2022, the Napier community was consulted regarding Napier City Council's housing provision.

The Council owns and operates 377 community housing units across 12 locations in Napier. The aim of this consultation was to identify the community's preference on three available operational options (i.e. part retain / part sell, status quo, and transfer / sell) before a decision on the future of these housing units was made.

The community consultation was conducted via print media and Council's website ('*Say It Napier*'), promoted through various traditional and social media channels.

A total on n=286 unique responses were received; 88 individual submissions were received from Council housing tenants.

14 (4.9%) submissions were made on behalf of various groups and organisations, including collective responses from one of the Council's retirement villages.

1 Overall, 51.4% of submitted responses selected the '*Status quo*' option; 25.5% selected the '*Transfer / sell*' option, and 20.6% selected the '*Part retain / part sell*' option.

42.0% of Council housing tenants' selected the '*Status quo*' option; 17.0% selected the '*Transfer / sell*' option, and 35.2% selected the '*Part retain / part sell*' option.

A '*combination of rates & rent*' was the preferred method to fund the projected shortfall.

2 74% of respondents provided some form of qualitative (free-text) comments in addition to their responses. The belief that the Council has a '*Duty / responsibility to protect and provide for tenants and vulnerable residents*' was the most cited concern across respondents overall.

METHODOLOGY

BACKGROUND AND OBJECTIVES

The Napier City Council (NCC) owns and operates 377 community housing units across 12 locations in Napier. 80% of these housing units are for retirees or people with a disability. To continue providing affordable rental housing, significant repairs and maintenance are required. The cost of providing housing is projected to exceed the income received from rent by an average of around $2.2 million per annum.

Up until 2021/22, the housing costs were funded by rents received from tenants. However, with growing costs, it was established this income from rents would not be enough in the future.

Since 2018, two reviews have been undertaken to understand Council's options.

The purpose of the current consultation was to identify the community's preference on the available options before a decision is made on the future of Council's housing provision.

Community feedback will be considered along with a number of other matters including Council's role in improving community wellbeing, the current and future demand for affordable rental housing, changes to the Residential Tenancies Act and its effects on service delivery.

QUESTIONNAIRE AND PROJECT SPECIFICS

NCC developed a questionnaire for the community to provide feedback on the three options for Council housing.

These options were:

- Keep all – status quo. Council would keep all of its current housing and have an annualised $2.2 million shortfall that would need to be covered by increased rates or rents or a combination of both.
- Keep most – part retain / part sell. Council would keep its 8 retirement villages, develop 45 more units and sell its 3 social villages. There would be an annualised $2.3 million shortfall that would need to be covered by increased rates or rents or a combination of both.
- Keep none – transfer / sell. Council would transfer all of its 377 units to another entity within the social housing sector. Council would place conditions on any sale or transfer to protect current tenants and keep the housing focused on community housing.

All relevant information (e.g. consultation forms, fact sheet, etc.) was available online at the Council's websites (https://www.sayitnapier.nz/ncc/the-future-of-council-housing-provision).

Hard copies with relevant information were distributed among all Council housing tenants.

Two tenant meeting sessions were held on 23 and 29 March at Greenmeadows East Community Hall and Arthur Richards Village Hall.

DATA COLLECTION

The consultation was open between 16 March and 20 April 2022.

Multiple data collection methods were utilised to ensure Napier residents had a chance to have their say. A mixed-methods approach included: (1) online survey (available via Council's website and social media platforms); (2) paper-based forms available from the Council service centre and sent to Council housing tenants.

An active media and social media campaign was promoted by the Council to increase awareness about this consultation.

DATA ANALYSIS

A total of n=286 unique responses were collected. Overall, n=14 responses were submitted on behalf of a group/organisation (4.9%). 24 respondents expressed their willingness to speak in person in support of their feedback (8.4%). 72 hard copy forms were submitted (25.4%).

Duplicate personal submissions (e.g. same person/contact details) were also received (n=5); these responses (in consultation with the NCC) were aggregated into a single submission per person, analysing feedback in all submissions.

In addition to quantitative (single '*tick-box*' responses) measures allowing respondents to select their preferred response, many submissions also contained qualitative free-text responses providing additional comments related to Council housing.

SIL Research used a content analysis approach to determine certain themes, concepts or issues within submitted feedback. This represents a '*bottom up*' data driven approach where identified themes are derived purely from the collective respondent feedback, rather than fitting responses into pre-determined categories.

Where very specific comments could not be incorporated into larger themes, these were coded as '*Other*' issues.

The majority of respondents providing free-text responses had their comments coded into at least one of the identified themes (many with multiple themes identified as relevant).

NOTES ON REPORTING

Due to rounding, figures with percentages may not add up to 100%.

Reported percentages were calculated on actual results not rounded values.

Where applicable, responses were aggregated by residential area (i.e. Napier suburbs) as self-identified by residents, with further combination into wards.

Responses outside of Napier, or with no valid addresses provided, were re-coded as '*Other or out of Napier*'.

When interpreting the results, it is important to note that factors such as the timing of unusual or one-off events often affect residents' responses.

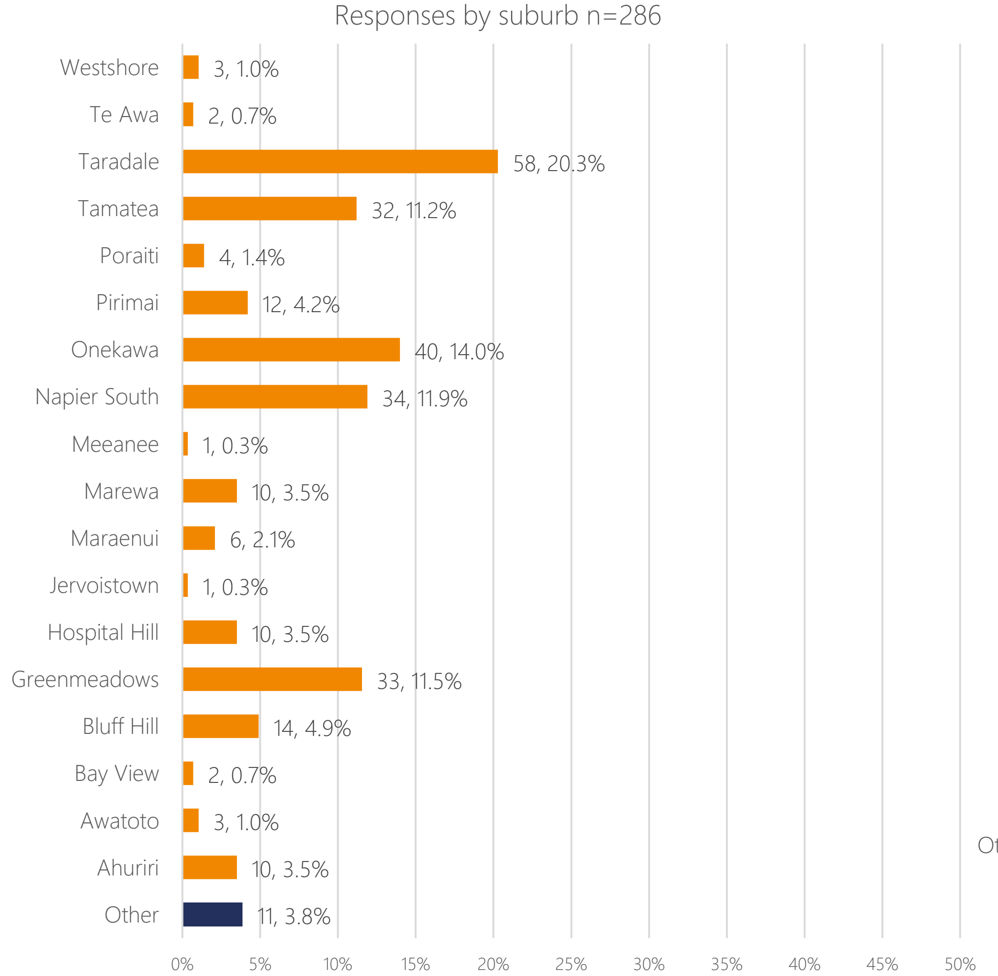
This consultation attracted some media attention; several articles were published in April highlighting retirement village tenants concerns about an uncertain future in Council flats.

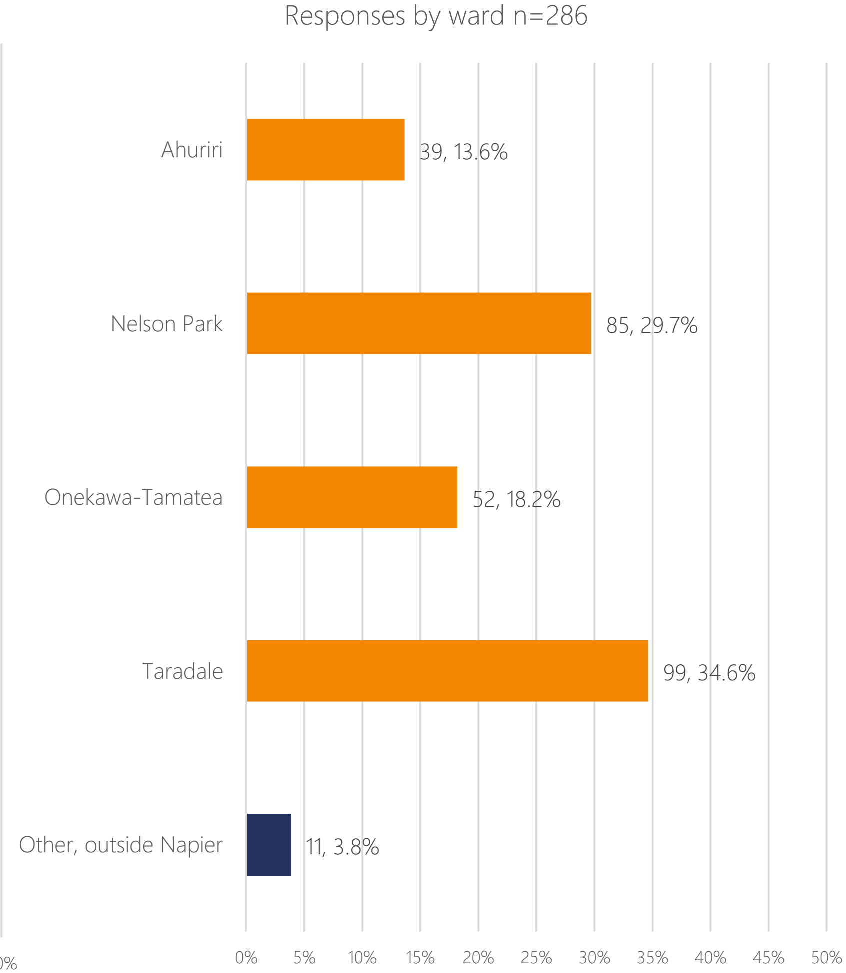
While not as prominent as in 2020 and 2021, the COVID-19 pandemic and associated restrictions or considerations may have had a lingering effect on public sentiment and public meetings in the 2022 year.

Due to COVID-19 restrictions, the two meeting sessions for this consultation required prior booking and a '*My Vaccine Pass*' to attend.

RESPONDENTS WHO TOOK PART IN THE CONSULTATION

All respondents were asked for their contact details (e.g. street address, city, suburb).

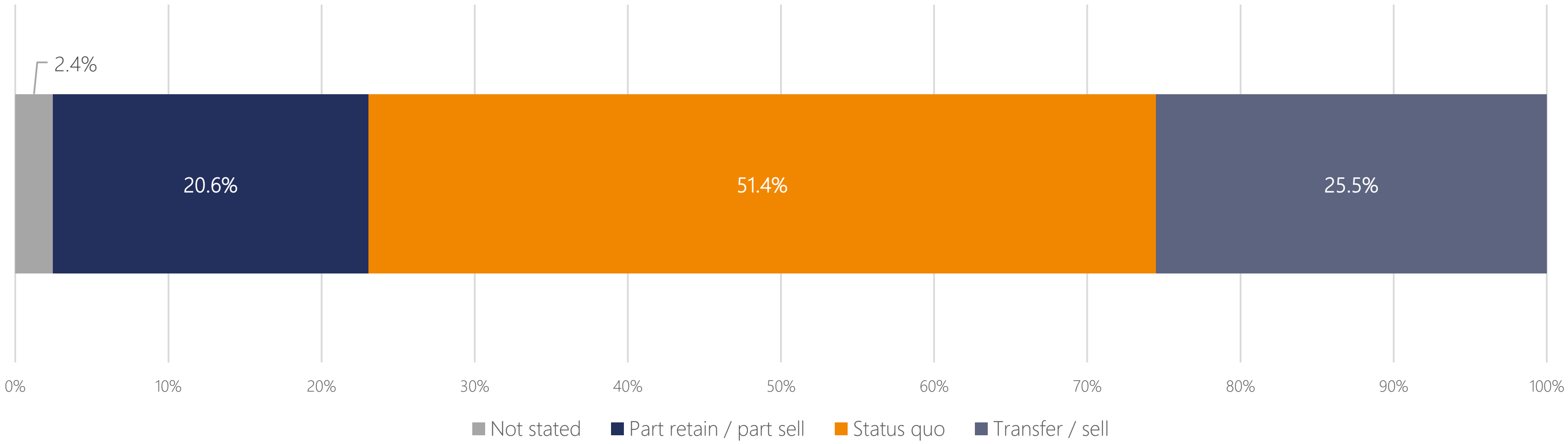




Note: the distribution of responses by ward was similar to the population distribution of each ward as determined by the 2018 New Zealand Census

SELECTED OPTION

All respondents were asked: *"Which option do you think Council should proceed with?"*. Three answer options were provided (*'Status quo'*, *'Part retain / part sell'* and *'Transfer / sell'*).



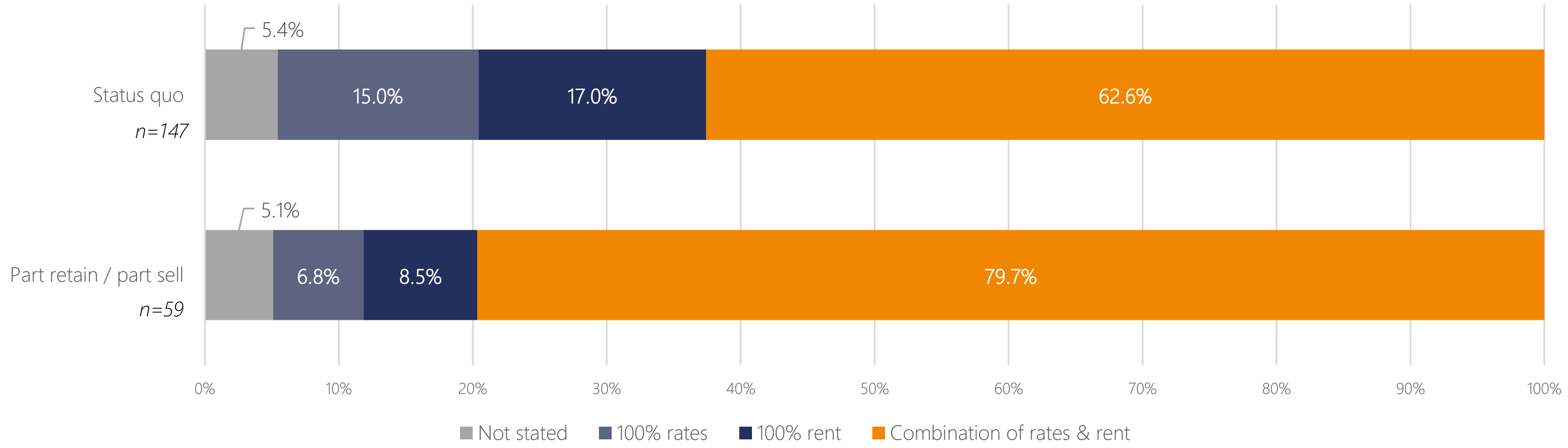
n=286

- Overall, **51.4%** (n=147) of submitted responses selected the *'Status quo'* option.
- **25.5%** (n=73) of submitted responses selected the *'Transfer / sell'* option, and **20.6%** (n=59) selected the *'Part retain / part sell'* option.
- **2.4%** (n=7) of respondents did not select a preferred option.
- The submitted responses were consistent between the wards – no statistically significant differences were found.

Selected option by ward	Part retain / part sell	Status quo	Transfer / sell
Ahuriri	15.4%	56.4%	28.2%
Nelson Park	18.8%	47.1%	28.2%
Onekawa-Tamatea	25.0%	48.1%	25.0%
Taradale	23.2%	53.5%	22.2%
Other, outside Napier	9.1%	63.6%	27.3%

SHORTFALL FUNDING

Respondents who selected either '*Status quo*' or '*Part retain / part sell*' option were asked: "*How should the shortfall be funded?*". Three answer options were provided ('*100% rates*', '*100% rent*' and '*Combination of rates & rent*').

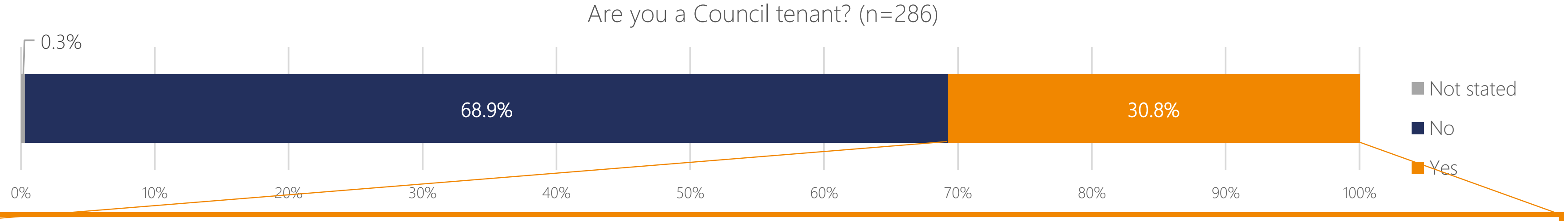


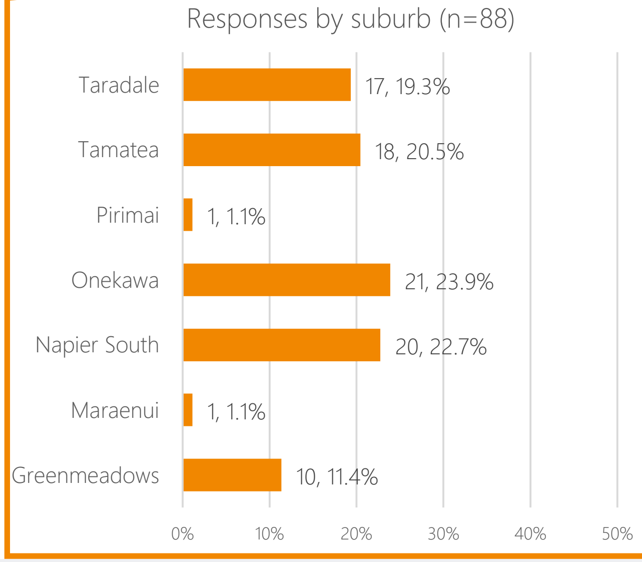
- A '*combination of rates & rent*' was the preferred option to fund the shortfall for both '*Status quo*' (62.6%, n=92) and '*Part retain / part sell*' (79.7%, n=47).
- However, the '*Status quo*' choice showed more variability in provided responses – 15.0% of responses stated '*100% rates*' and 17.0% of responses stated '*100% rent*'.
- There were no statistically significant differences in provided responses by ward.

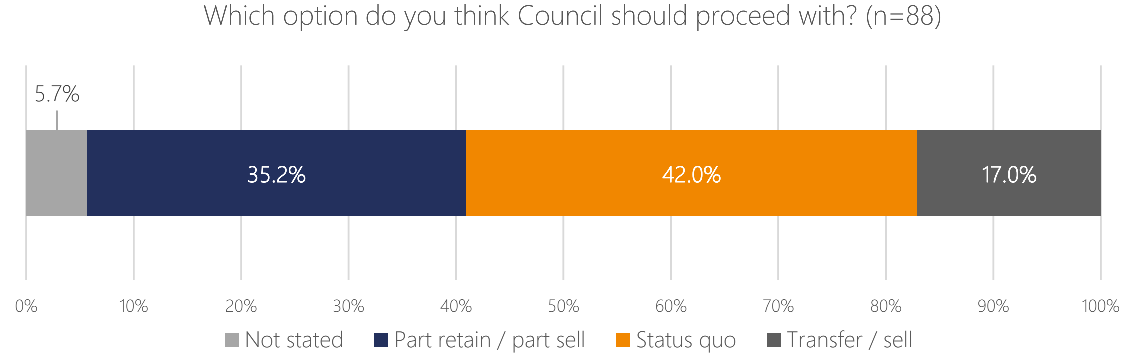
Selected option by ward	Part retain / part sell			Status quo		
	100% rates	100% rent	Combination of rates & rent	100% rates	100% rent	Combination of rates & rent
Ahuriri	16.7%	33.3%	50.0%	22.7%	9.1%	63.6%
Nelson Park	0.0%	6.3%	93.8%	10.0%	12.5%	75.0%
Onekawa-Tamatea	15.4%	7.7%	69.2%	4.3%	30.4%	65.2%
Taradale	4.3%	4.3%	82.6%	18.9%	18.9%	54.7%
Other, outside Napier	0.0%	0.0%	100.0%	28.6%	14.3%	57.1%

COUNCIL HOUSING TENANTS

All respondents were asked: *"Are you a Council housing tenant?"*. Two answer options were provided (*'Yes'* and *'No'*).







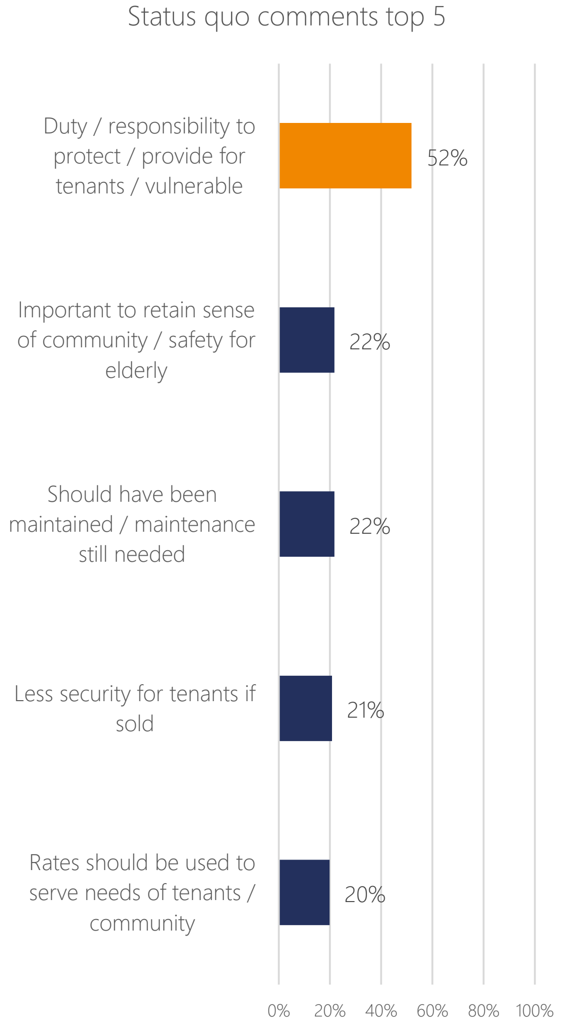
	Part retain / part sell	Status quo
Not stated	9.7%	16.2%
100% rates	6.5%	10.8%
100% rent	0.0%	10.8%
Combination of rates & rent	83.9%	62.2%

- 88 submissions were received from Council housing tenants (representing 23.3% of the 377 Council housing units). Several collective responses were received from one of the Council's retirement villages (see Appendix p.17).
- A statistically significant difference was observed between the preferred options amongst Council housing tenants and all other submissions.
- 42.0% of tenants' responses selected the '*Status quo*' option; 17.0% selected the '*Transfer / sell*' option, and 35.2% selected the '*Part retain / part sell*' option.
- However, a '*combination of rates & rent*' was still the preferred method to fund the shortfall.

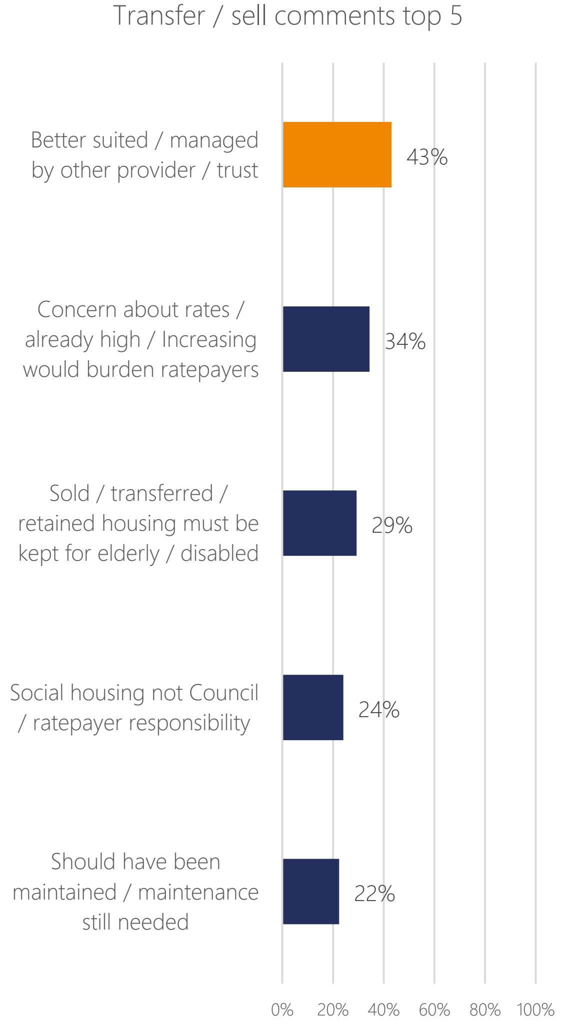
RESPONDENT QUALITATIVE FEEDBACK

Top 5 mentioned topics. Open-ended comments sorted into categories. Totals may exceed 100% owing to multiple responses for each respondent.

n=43 provided feedback for this option



n=106 provided feedback for this option



n=58 provided feedback for this option

- Overall, 74% of respondents provided some form of qualitative (free-text) comments in addition to their other responses. Categorised themes differed by respondent type (e.g. Council tenant vs non-tenant, selected housing option, etc).
- The belief that the Council has a '*Duty / responsibility to protect and provide for tenants and vulnerable residents*' was the most cited primary concern across respondents overall. This theme was a greater concern for those who supported the '*Part retain / part sell*' (63%) and '*Status quo*' (52%) options. This was seen as a particular need in the context of worries about housing shortages and accommodation cost increases.
- Respondents also believed it is '*Important to retain a sense of community / safety for elderly*' in particular – recognising the social and support networks built up in retirement communities specifically. This was related to the primary theme around general responsibility of care for vulnerable tenants, and reflected a concern that housing provision be protected or retained for elderly specifically, even in the event of any sale or transfer. This was noticeably more likely among respondents supporting the '*Part retain / part sell*' option (42%).
- Respondents also noted a belief that Council housing '*Should have been maintained and / or maintenance is still needed*'. Some felt that maintenance to-date had been neglected, particularly in light of rental income received over the years. Other comments expressed concerns that maintenance or upgrades would still be necessary prior to any sale/transfer, and this need might affect any income derived from sale.
- Another expressed concern was about '*Less security for tenants if housing is sold or transferred*'. This reflected uncertainty about retention of housing for elderly by future owners/management agencies, doubts about agreements to this effect being upheld in the long-term, concerns about higher risk of social housing being mixed with retirement housing, and other welfare concerns. Again, those supporting the '*Part retain / part sell*' option (33%) were more likely to suggest this.
- Related to the previous theme was a concern about '*Risk of higher rents and/or homelessness*' should Council housing be sold or transferred, or rents otherwise increased above current income-based levels. This tended to be a greater concern for those supporting the '*Part retain / part sell*' option (28%).
- Respondents supporting the '*Transfer / sell*' option expressed a distinct set of themes focused on concerns around suitable housing ownership/management outside the Council, and appropriateness/affordability of housing provision from ratepayers' perspective (in light of already increasing rates) – albeit with some concern that sold or transferred housing be protected for elderly, disabled or otherwise vulnerable residents.
- Council housing tenants were more likely to raise comments, queries or concerns about the consultation process itself. This indicated, in some cases, uncertainty around the consultation and extent to which tenants had been engaged and/or supported to make submissions; need for further clarity around some of the options and exactly how these would be enacted; queries or doubts about some of the financial figures/sums provided; uncertainty around potential outcomes for their housing provision; and a belief that the Council had already made a decision to sell Council housing.
- Some Council tenants specifically noted the value and appreciation they have for their Council housing, and the extent to which this housing offers a sense of safety and security for them.

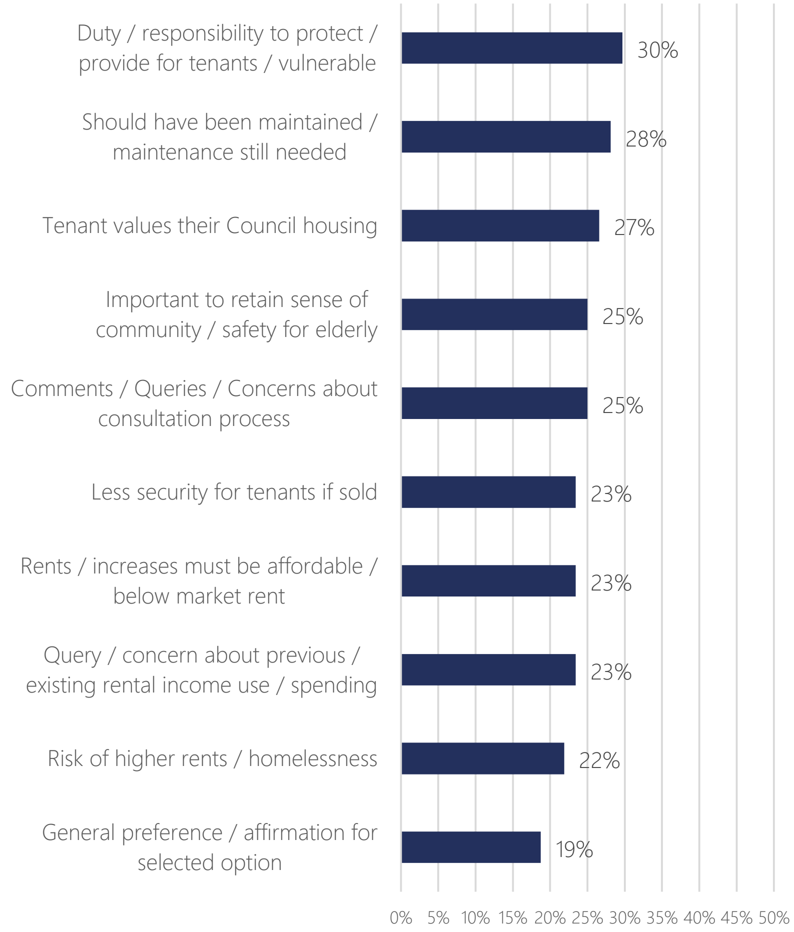
RESPONDENT QUALITATIVE FEEDBACK

All other mentioned topics. Open-ended comments sorted into categories. Totals may exceed 100% owing to multiple responses for each respondent.

- Comments / concerns / preferences for specific / potential buyers / trusts - 16%
- Rent rise needed to cover costs - 16%
- General preference / affirmation for selected option - 16%
- Rents / increases must be affordable / below market rent - 16%
- New accommodation options / provision needed - 15%
- Comments / Queries / Concerns about consultation process - 15%
- Query / concern about previous / existing rental income use / spending - 14%
- Government support / IRRS funding needed for housing / rents - 13%
- Other solutions possible / preferred / needed / Three provided options not perfect / exclusive - 10%
- Concerns about housing market / shortage / availability - 9%
- Tenant values their Council housing - 8%
- Subsidising housing not affordable/ sustainable for city - 8%
- Sale revenue can benefit city / remaining properties - 8%
- Council should prioritise housing / reassign spending from/over other areas - 6%
- Look to other Councils / regions for examples / workable options - 6%
- Other - 2%
- Indicate desire to speak at hearings - 2%

n=213 provided feedback in total

Top 10 mentioned topics amongst Council housing tenants



n=64 tenants provided feedback

APPENDIX

Observations and implications – margin of error

Overall, the Napier City area includes approximately 50,100 people of eligible age to vote in general elections, local elections and referendums (according to New Zealand 2018 Census data). 377 units are available in Napier for retirees, people with a disability and social housing.

Note: margins of error and confidence intervals are indicative only. The nature of this research was consultative engagement with Napier residents on a self-selecting basis, rather than a representative opinion survey. However, for reporting purposes, the margin of error was estimated based on the assumption of a simple random sample of the population.

Table 1 The selected options with estimated margins of error (Napier only)

	Part retain / part sell	Status quo	Transfer / sell	Number of responses
Ahuriri	15.4%	56.4%	28.2%	39
Nelson Park	18.8%	47.1%	28.2%	85
Onekawa-Tamatea	25.0%	48.1%	25.0%	52
Taradale	23.2%	53.5%	22.2%	99
Total (Napier only)	21.1% (+/- 4.8%)	50.9% (+/- 5.9%)	25.5% (+/- 5.2%)	275
Council housing tenants	35.2% (+/- 8.8%)	42.0% (+/- 9.1%)	17.0% (+/- 6.9%)	88

Note: 'Not stated' responses are not shown due to small sample sizes.

Observations and implications – results by suburb

Overall results presented by specific location (e.g. Napier suburb or other).

Table 2 The percentage of responses by area

	Part retain / part sell	Status quo	Transfer / sell	Number of responses
Other	9.1%	63.6%	27.3%	11
Ahuriri	10.0%	30.0%	60.0%	10
Awatoto	33.3%	33.3%	33.3%	3
Bay View	50.0%	50.0%	0.0%	2
Bluff Hill	28.6%	42.9%	28.6%	14
Greenmeadows	27.3%	48.5%	24.2%	33
Hospital Hill	0.0%	90.0%	10.0%	10
Jervoistown	100.0%	0.0%	0.0%	1
Maraenui	16.7%	50.0%	33.3%	6
Marewa	0.0%	60.0%	40.0%	10
Meeanee	0.0%	100.0%	0.0%	1
Napier South	20.6%	41.2%	32.4%	34
Onekawa	17.5%	52.5%	22.5%	40
Pirimai	16.7%	66.7%	16.7%	12
Poraiti	25.0%	25.0%	50.0%	4
Tamatea	34.4%	34.4%	28.1%	32
Taradale	20.7%	60.3%	17.2%	58
Te Awa	0.0%	50.0%	50.0%	2
Westshore	0.0%	100.0%	0.0%	3

Observations and implications – organisations and community groups

Overall, n=14 submissions were made on behalf of different organisations and groups, including collective submissions from Council housing tenants.

Table 3 Organisations/groups participated in the consultation and their selected options

Name of organisation/group (verbatim, as stated)	Selected options
Emerge Aotearoa Housing Trust	Transfer / sell
Environment Justice and Peace Group from the Napier Cathedral	Part retain / part sell (100% rent)
Flat 9;13;14;15;18;19;47;8 [*note: 22A Lancaster Street*]	Part retain / part sell (100% rates)
Grey Power Napier	Status quo (preferred) or Part retain / part sell (if option 1 is unattainable)
Napier Community Housing - Support Group	Transfer / sell
Napier Housing Coalition	Status quo (100% rates)
Napier Housing Support Group	Status quo (100% rent)
Napier Labour Party LEC	Status quo (100% rates)
Napier Positive Ageing Strategy Advisory Group	Part retain / part sell (combination)
Residents of Arthur Richards Retirement Village	Part retain / part sell (combination)
Soho Group Limited	Transfer / sell
The Napier Pilot City Trust	Status quo (100% rates)
Whatever It Takes Trust Incorporated	Transfer / sell
Youth Council of Napier	Part retain / part sell (combination)

Observations and implications – Council housing tenants

Overall, n=88 individual submissions were received from Council housing tenants (representing 23.3% of the 377 Council housing units). Several submissions included collective responses from one of the Council's retirement villages – representing an additional 15 tenants from 22a Lancaster Street Retirement Village. This resulted in a combined n=103 effective responses from distinct represented Council tenants.

Table 4 Council housing tenants - collective + individual submissions

	Collective represented tenants (n=103)	Individual submissions (n=88)
Not stated	4.9%	5.7%
Part retain / part sell	44.7%	35.2%
Status quo	35.9%	42.0%
Transfer / sell	14.6%	17.0%
Total	100.0%	100.0%

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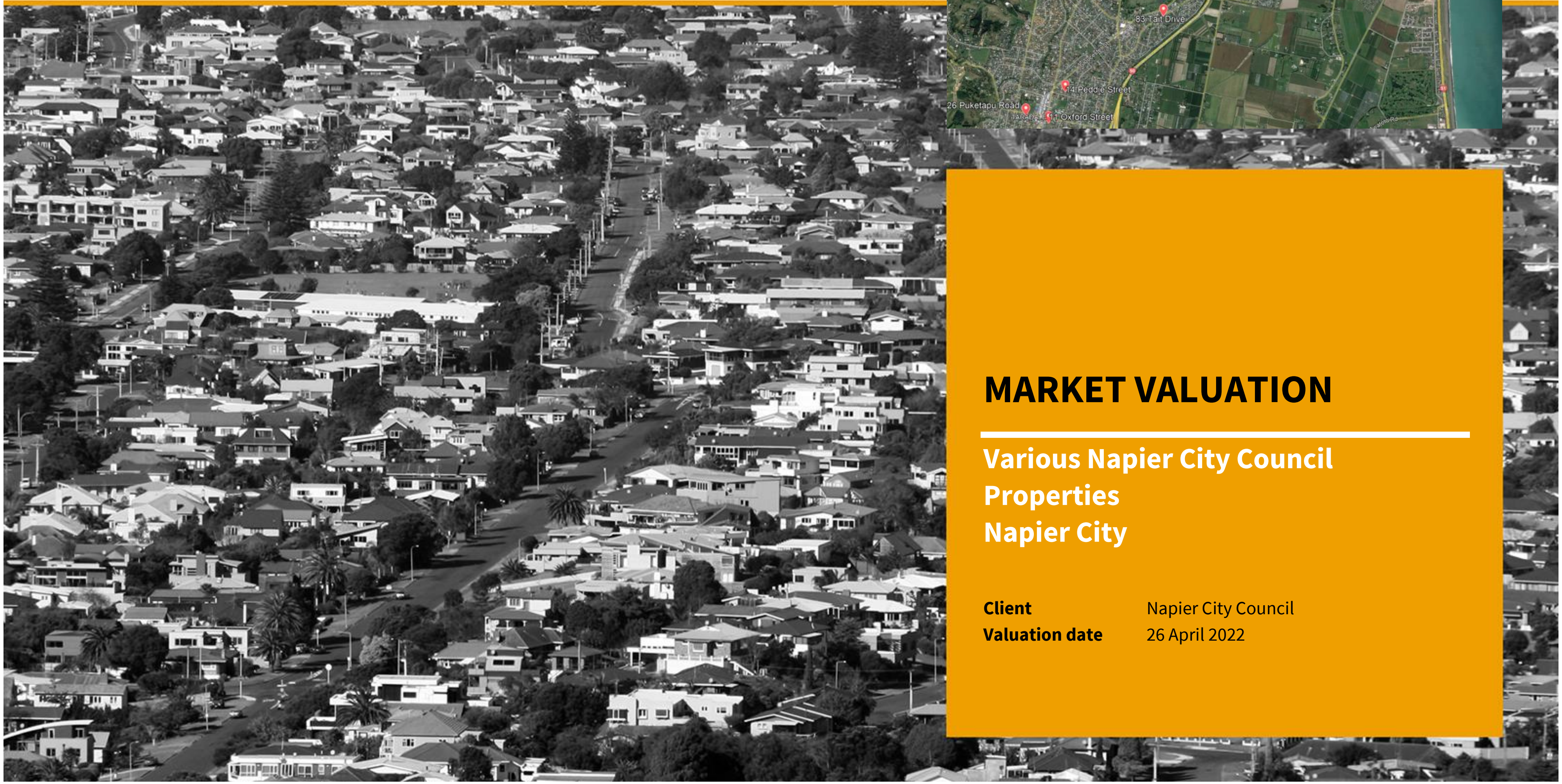

MARKET VALUATION

Various Napier City Council Properties Napier City

Client	Napier City Council
Valuation date	26 April 2022

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1.0 EXECUTIVE SUMMARY

Various Napier City Council Properties, Napier

Napier City Council have requested reporting on the 12 Community Village properties that form part of the Napier City Council Land and Buildings Assets. These properties are used for residential housing and consist of moderate to mainly large scale residential complexes. This summary report provides summary detail around the methodology, valuation approaches and rationale applied in valuing each of the properties.

PROPERTY DETAILS

Type of property

12 Residential Community Villages

VALUATION SUMMARY

Address	Units	Value
465 Hastings St	4	$1,610,000
14 Peddie St	12	$3,660,000
6 Nelson Cres	12	$3,900,000
26 Puketapu Rd	16	$4,565,000
Oriel Place	20	$5,260,000
33 - 37 Wellesley Pl	28	$8,445,000
55 Coventry Ave	31	$8,235,000
150 Carlyle St	32	$9,455,000
11 Oxford St	40	$10,155,000
22 Lancaster St	50	$12,885,000
83 Tait Dr	51	$14,315,000
Henry Charles Cres	80	$18,600,000

*The above values are including GST (if any)

INSTRUCTIONS

Instructed by	Natasha Mackie
Report prepared for	Napier City Council
Purpose of valuation	Fair Market Valuations for Accounting/Financial Reporting
Valuation date	26 April 2022
Report issue date	2 May 2022

TelferYoung policy requires that reports cannot be reassigned for any purpose beyond 90 days from the date of valuation. This policy has been set to meet professional indemnity insurance requirements. It is a condition of this report that any valuation needing to be reassigned beyond 90 days may require re-inspection by the valuer with an update fee charged.

PREPARED BY

Lucas Paku BCom (VPM)
Director, Registered Valuer

This report must be read in conjunction with TelferYoung (Hawkes Bay) Limited's Statement of Limiting Conditions and Valuation Policy.

2.0 RISK SUMMARY AND ASSUMPTIONS

RISK ANALYSIS

Disruption to the economy and an increase in general economic uncertainty has been evident from when the COVID-19 pandemic reached New Zealand in early 2020.

At the date of reporting, New Zealand has moved into the traffic light settings which allows businesses to open and operate in a way that is as close to normal for vaccinated people. This is following various lockdown levels since the country was moved into Level 4 on 17th August 2021, after one year of relative freedom. During the lockdowns the residential property market has remained active, albeit with restrictions in place. The markets continue to remain active but this outlook could change if the country repeatedly moves in and out of lockdowns and/or 'traffic light' levels in the future.

The severity of the current outbreak and its consequent economic disruption is currently unknown. This valuation has been prepared based on evidence available as at the date of valuation.

SIGNIFICANT ASSUMPTIONS AND SPECIAL ASSUMPTIONS

Significant Assumptions and Special Assumptions are those assumptions that are material to the valuation and could reasonably be expected to influence the decisions of the user.

Significant Assumptions are those where the assumed facts are consistent with, or could be consistent with those existing at the date of valuation. These are often the result of a limitation on the extent of the investigations or enquiries undertaken by the valuer.

Special Assumptions are those where the assumed facts differ from those existing at the date of valuation. These are often used to illustrate the effect of proposed changes on the value of the property.

Significant Assumptions and Special Assumptions made within this valuation are as follows:

- We have carried out an inspection of a sample of units only and therefore we make an assumption that the other residential units are of similar quality/condition to these. If this were to change, we reserve the right to make changes to our valuation where required.
- The fair values represent the total of the market values before allowance for any selling costs and are assessed on a 'highest and best use' basis.

3.0 SCOPE OF WORK

The valuer

The valuation has been undertaken by Lucas Paku who provides this valuation in an objective, unbiased, ethical and competent manner. The valuer has no material connection with the instructing party or interest in the property and has the appropriate qualifications and experience to undertake the valuation.

Our client

Napier City Council.

Other than the client or addressee, the report may not be relied upon by any third party. We accept no liability to third parties. Written consent is required for any third party wishing to rely on this report. We reserve the right to withhold that consent, or to review the contents of the report if consent for third party use is sought.

Other intended users

Nil.

Purpose of valuation

Fair Value for financial reporting purposes.

Assets valued

- 150 Carlyle Street, Napier South, Napier
- 465 Hastings Street, Napier South, Napier
- 33-37 Wellesley Road, Napier South, Napier
- 6 Nelson Crescent, Napier South, Napier
- Henry Charles Crescent, Onekawa, Napier
- Oriel Place, Onekawa, Napier
- 22A Lancaster Street, Tamatea, Napier
- 55 Coventry Avenue, Tamatea, Napier
- 83 Tait Drive, Greenmeadows, Napier
- 14 Peddie Street, Taradale, Napier
- 26 Puketapu Road, Taradale, Napier
- 11 Oxford Street, Taradale, Napier

Basis of valuation

Market Value is defined in International Valuation Standards 2020 as:

> *The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.*

Valuation currency

All dollars quoted in this report are NZD.

Important dates

Inspection date	26 April 2022
Valuation date	26 April 2022

Extent of investigations

We have carried out an inspection of exposed and readily accessible areas of the improvements. However, the valuer is not a building construction or structural expert and is therefore unable to certify the structural soundness of the improvements. Readers of this report should make their own enquiries.

This report has been prepared for valuation purposes only and is not a geotechnical or environmental survey. If any defect is found, including structural defects, this information could impact on the value of the property.

Nature and source of information relied upon

Information used to prepare the valuation has been obtained from our property inspection and public records. Additional information relied on includes:

Name of Document	Source of Document
Correspondence	Natasha Mackie

Reporting format

We have prepared a formal valuation report meeting appropriate professional standards.

This report must be read in conjunction with TelferYoung (Hawkes Bay) Limited's Statement of Limiting Conditions and Valuation Policy.

Valuation standards

Our valuation has been prepared in accordance with International Valuation Standards (effective 31 January 2022) and Guidance Papers for Valuers and Property Professionals published by the Australian Property Institute (API), Property Institute of New Zealand (PINZ) and New Zealand Institute of Valuers (NZIV).

4.0 RECORDS OF TITLE

4.1 TITLE INFORMATION

Address	Identifier	Estate	Area
150 Carlyle Street	HBP3/823	Fee Simple	6,537 m^2
465 Hastings Street	HB81/55	Fee Simple	1,492 m^2
33-37 Wellesley Road	HB90/266, HBC1/35, HBC4/1064, HBC4/1142, HBD4/247, HBE3/832, HBH3/812	Fee Simple	6,084 m^2
6 Nelson Crescent	HBJ2/918	Fee Simple	3,025 m^2
Henry Charles Crescent	HBE3/7-HBV4/1388	Fee Simple	2.53 ha
Oriel Place	HBY2/100	Fee Simple	3,662 m^2
22A Lancaster Street	HBM3/539	Fee Simple	1.2412 ha
55 Coventry Avenue	HBE2/1284	Fee Simple	6,824 m^2
83 Tait Drive	HBM2/389	Fee Simple	1.9305 ha
14 Peddie Street	HB33/10	Fee Simple	2,681 m^2
26 Puketapu Road	HB85/208	Fee Simple	4,047 m^2
11 Oxford Street	HB101/68, HBC2/755, HBC3/267, HBF4/174	Fee Simple	1.51 ha

See **Appendix A** for the full Records of Title.

5.0 LOCATION

5.1 LOCATION DETAILS

Suburb	Napier South, Onekawa, Pirimai, Tamatea, Greenmeadows and Taradale
Location	Mainly average to above average suburban locations.
Amenities	All council villages are within close proximity to all usual city amenities including retail, recreational, public transport and private vehicle access.

6.0 LAND

Address	Shape	Area
150 Carlyle Street	Slightly Irregular	6,537 m^2
465 Hastings Street	Triangular	1,492 m^2
33-37 Wellesley Road	Regular	6,084 m^2
6 Nelson Crescent	Irregular	3,025 m^2
Henry Charles Crescent	Irregular	25,300 m^2
Oriel Place	Irregular	3,662 m^2
22A Lancaster Street	Irregular	12,412 m^2
55 Coventry Avenue	Irregular	6,824 m^2
83 Tait Drive	Irregular	1.9305 ha
14 Peddie Street	Rectangular	2,681 m^2
26 Puketapu Road	Rectangular	4,047 m^2
11 Oxford Street	Irregular	15,100 m^2

7.0 RESOURCE MANAGEMENT

7.1 ZONING INFORMATION

Territorial authority	Napier City
Plan status	Operative
Zone	Main Residential

Zone description

The Main Residential zone applies to broad residential areas covering most of the city where there are no significant environmental constraints that may otherwise indicate intensified residential development should not occur.

The zone allows for a degree of consolidation and intensification of residential development consistent with the maintenance and enhancement of residential amenity values by way of development standards.

Permitted Activities and Development Controls within this Zone include the examples listed below.

Permitted activities

- Residential use
- Home occupations
- A supplementary units
- Residential care facilities
- Day care centres
- Traveller's accommodation
- Education facilities

Development controls

- Land development including subdivision and relocation of buildings from another site are Controlled Activities within this zone whereby Resource Consent is required. Applications for land development will not be publicly notified where the development fully complies with the standards and terms of the District Plan.
- There is no minimum lot size within this zone however where the density is greater than one dwelling unit per 350 square metres of net site area, a concept plan must be submitted to the Council which shows how a single dwelling unit or multi-unit development is able to fully comply with the conditions for permitted activities where the density requirement has been exceeded. The minimum access width for an accessway servicing one unit is 2.7 metres.

Comments

All villages are situated within this zone with the current use being a permitted activity.

7.2 RATING VALUATION

As at 1 September 2020:

Address	Land Value	Improvements Value	Capital Value
150 Carlyle Street	$1,790,000	$3,110,000	$4,900,000
465 Hastings Street	$880,000	$280,000	$1,160,000
33-37 Wellesley Road	$2,410,000	$1,580,000	$3,990,000
6 Nelson Crescent	$1,170,000	$950,000	$2,120,000
Henry Charles Crescent	$3,250,000	$2,300,000	$5,550,000
Oriel Place	$830,000	$830,000	$1,660,000
22A Lancaster Street	$1,170,000	$1,990,000	$3,160,000
55 Coventry Avenue	$800,000	$1,780,000	$2,580,000
83 Tait Drive	$2,260,000	$1,470,000	$3,730,000
14 Peddie Street	$660,000	$280,000	$940,000
26 Puketapu Road	$1,170,000	$570,000	$1,740,000
11 Oxford Street	$1,780,000	$1,470,000	$3,250,000

Rating Valuations are conducted on a mass appraisal basis, generally once every three years, in order to provide a basis to assist territorial authorities to collect revenue through rates. Individual properties are not inspected on a regular basis and changes in the improvements may not be recorded.

8.0 IMPROVEMENTS

8.1 150 CARLYLE STREET

Involving a complex of 8 x 1, 19 x 2, 5 x 3 bedroom, 1980's residential flats. The flats are predominately attached in mixed pods with detached carports.

Aerial

8.1.1 Floor areas

The floor areas, as provided are as follows:

1 Bedroom Flats	46.1 m^2
2 Bedroom Flats	73.6 m^2
3 Bedroom Flats	89.6 m^2

8.1.2 Layout and accommodation

All flats include a kitchen, lounge/dining bedroom/s, bathroom, and toilet. To the rear of the flats is a small fenced courtyard area with a garden shed.

8.1.3 Building summary and condition

Fixtures and fittings contained within the flats are mostly dated and are of a generally average quality and condition for their age.

External decoration is to a tidy standard, while internally it is to an average, original standard.

8.1.4 Other Improvements

Site development includes a sealed driveway, concrete paths, average quality fencing, small storage sheds, well established lawns, and basic landscaping.

8.2 465 HASTINGS STREET

Involving a complex of 4 x 1 bedroom, 1950's residential flats. All flats are single storey. The flats are attached, in pods of 2 with no garaging.

Aerial

8.2.1 Floor areas

The floor areas, as provided are as follows:

Flats	45.4 m^2

8.2.2 Layout and accommodation

The flats are compact and subdivided to provide lounge/kitchen, bedroom and bathroom. There is a porch off the front. There is front and rear pedestrian access. The flats have shared yard space.

8.2.3 Building summary and condition

Fixtures and fittings contained within the flats mostly dated and are of a generally average quality and condition for their age.

External decoration is to a tidy standard, while internally it is to an average, original standard.

8.2.4 Other Improvements

Site development includes a sealed driveway, concrete paths, average quality fencing, small storage sheds, well established lawns, and basic landscaping.

8.3 33-37 WELLESLEY ROAD

Involving a complex of 2 x 1 and 26 x 2 bedroom, 1980's residential flats. There are 22, two level flats and 4 single level flats as well as a detached dwelling converted into 2, one bedroom flats. The 2 level flats are attached, typically in pods of 4 with the remainder being mixed.

Aerial

8.3.1 Floor areas

The floor areas, as provided are as follows:

Two Storey Flats	72.9 m^2
Single Storey Flats	69.9 m^2
Converted Dwelling	160.0 m^2

8.3.2 Layout and accommodation

All flats include kitchen, lounge/dining bedroom/s, bathroom, laundry/laundry cupboard and toilet. To the rear of the flats is a small courtyard area with a garden shed.

8.3.3 Building summary and condition

Fixtures and fittings contained within the flats mostly dated and are of a generally average quality and condition for their age.

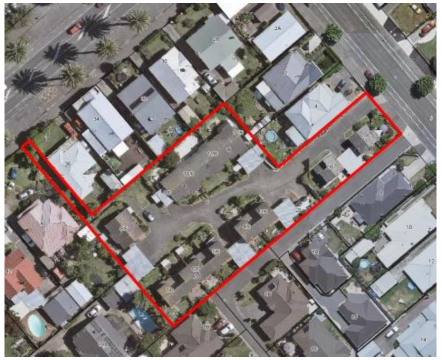
External decoration is to a tidy standard, while internally it is to an average, original standard.

8.3.4 Other Improvements

Site development includes a sealed driveway/parking areas, concrete paths, average quality fencing, small storage sheds, well established lawns, and basic landscaping.

8.4 6 NELSON CRESCENT

Involving a complex of 12 x 2 bedroom, 1980's residential flats. There are 7 two level flats and 5, single level flats in total.



Aerial

8.4.1 Floor areas

The floor areas, as provided are as follows:

Two level flats	68.9 m^2
One level flats	69.7 m^2
Total Carport Area	271.6 m^2

8.4.2 Layout and accommodation

The flats are subdivided to provide a kitchen, lounge/dining, 2 bedrooms, bathroom, separate toilet and laundry. To the rear of the flat is a small courtyard area with a garden shed. There is carport garaging provided.

8.4.3 Building summary and condition

Fixtures and fittings contained within the flats mostly dated and are of a generally average quality and condition for their age.

External decoration is to a tidy standard, while internally it is to an average, original standard.

8.4.4 Other Improvements

Site development includes a sealed driveway/parking areas, concrete paths, average quality fencing, small storage sheds, well established lawns, and basic landscaping.

8.5 HENRY CHARLES CRESCENT

8.5.1 Flats

Involving a complex of 81 x 1 bedroom, 1960's residential flats, situated on a 2.53 hectare site in the Napier suburb of Onekawa. The 1 bedroom flats are attached, typically in pods of 4 with some in pairs with detached carports.

Aerial

8.5.2 Floor areas

The floor areas, as provided are as follows:

1 Bedroom	53.0 m^2
Total carport area	669.0 m^2

8.5.3 Layout and accommodation

The flats are compact and subdivided to provide a lounge, kitchen, bathroom and bedroom. There is a front porch with some of these being enclosed. To the rear of the flat is a small shed.

8.5.4 Building summary and condition

Fixtures and fittings contained within the flats are mostly dated and are of a generally average quality and condition for their age.

External decoration is to a tidy standard, while internally it is to an average, original standard.

8.5.5 Community Hall

Fixtures and fittings contained within the flats mostly dated and are of a generally average quality and condition for their age.

External decoration is to an average standard, while internally it is to an average, original standard.

Hall

Internal

8.5.6 Floor areas

The floor areas, as provided are as follows:

FLOOR AREAS	340.0 m^2

8.5.7 Other Improvements

Site development includes a sealed driveway and circulation areas, concrete paths, patio, fencing of average quality, small storage sheds, well established lawns, and basic landscaping.

8.6 ORIEL PLACE

Involving a complex of 20 x 1 bedroom, 1960's residential flats, situated on a 3,662 m^2 site in the Napier suburb of Pirimai.

Aerial

8.6.1 Floor areas

The floor areas, as provided are as follows:

1 Bedroom	36.0 m^2
Total Carport Area	115.0 m^2

8.6.2 Layout and accommodation

The flats are attached, in pods of 5 with detached carports. Theses flats are compact and subdivided to provide a lounge/kitchen area and bedroom with a bathroom off. There is front and rear pedestrian access.

8.6.3 Building summary and condition

Fixtures and fittings contained within the flats mostly dated and are of a generally average quality and condition for their age.

External decoration is to a tidy standard, while internally it is to an average, original standard.

8.6.4 Other Improvements

Site development includes a concrete driveway/parking areas, concrete paths, average quality fencing, small storage sheds, well established lawns, and basic landscaping.

8.7 22A LANCASTER STREET

8.7.1 Flats

Involving a complex of 50 x 1 and 1 x 2 bedroom, 1970's residential flats, situated on a 1.24 hectare site in the Napier suburb of Tamatea. The 1 bedroom flats are attached, in pods of 2 with garaging provided for some flats. The 2 bedroom flat is detached and includes an attached carport.

Aerial

8.7.2 Floor areas

The floor areas, as provided are as follows:

1 Bedroom	38.0 m^2
2 Bedroom	80.0 m^2
Attached Carport	17.0 m^2

8.7.3 Layout and accommodation

The 1 bedroom flats are compact and subdivided to provide lounge/kitchen area and bedroom with a bathroom off. There is front and rear pedestrian access. To the rear of the flat is a small courtyard area.

The 3 bedroom flat is subdivided to provide a lounge, dining, kitchen, 2 bedrooms, bathroom, toilet and attached garaging. There is pedestrian access to the front and side. The 2 bedroom area has its own yard area while the other flats have shared yard space.

8.7.4 Building summary and condition

Fixtures and fittings contained within the flats mostly dated and are of a generally average quality and condition for their age.

External decoration is to a tidy standard, while internally it is to an average, original standard.

8.7.5 Hall

Fixtures and fittings contained within the flats mostly dated and are of a generally average quality and condition for their age.

External decoration is to an average tidy standard, while internally it is to an average, original standard.

Hall

Internal

8.7.6 Floor areas

The floor areas, as provided are as follows:

FLOOR AREAS 216.0 m²

8.7.7 Other Improvements

Site development includes a sealed/concrete driveway, parking areas, concrete paths, average quality fencing, small storage sheds, well established lawns, and basic landscaping.

8.8 55 COVENTRY AVENUE

Involving a complex of 31 x 1 bedroom, 1970's residential flats. All of the flats are single storey. The 1 bedroom flats are attached, typically in pods of 3 to 2 with no garaging.

Aerial

8.8.1 Floor areas

The floor areas, as provided are as follows:

1 Bedroom Flat 39.0 m²

8.8.2 Layout and accommodation

The flats are compact and subdivided to provide a lounge/kitchen area and bedroom with a bathroom off. To the rear of the flat is a shared courtyard area.

8.8.3 Building summary and condition

Fixtures and fittings contained within the flats mostly dated and are of a generally average quality and condition for their age.

External decoration is to a tidy standard, while internally it is to an average, original standard.

8.8.4 Other Improvements

Site development includes concrete driveway/parking areas, concrete paths, average quality fencing, small storage sheds, well established lawns, and basic landscaping.

8.9 83 TAIT DRIVE

8.9.1 Flats

Involving a complex of 50 x 1 and 1 x 3 bedroom, 1980's residential flats. All of the flats are single storey. The 1 bedroom flats are attached, typically in pods of 4 to 6 with no garaging. The 3 bedroom flat is detached and includes integrated garaging.

Aerial

8.9.2 Floor areas

The floor areas, as provided are as follows:

1 Bedroom Flat	37.8 m^2
3 Bedroom Flat	100.0 m^2
3 Bedroom Flat - Integrated garage	20.0 m^2

8.9.3 Layout and accommodation

The 1 bedroom flats are compact and subdivided to provide lounge/kitchen area and bedroom with a bathroom off. There is front and rear pedestrian access. To the rear of the flat is a small courtyard area with a garden shed.

The 3 bedroom flat is subdivided to provide a lounge, dining, kitchen, 3 bedrooms, bathroom, toilet and integrated garaging. There is pedestrian access to the front and off the dining area.

The 3 bedroom area has its own secure yard area while the other flats have shared yard space.

8.9.4 Building summary and condition

Fixtures and fittings contained within the flats mostly dated and are of a generally average quality and condition for their age.

External decoration is to a tidy standard, while internally it is to an average, original standard.

8.9.5 Community Hall

Fixtures and fittings contained within the hall are mostly dated and are of a generally average quality and condition for their age.

External decoration is to a tidy standard, while internally it is to an average, original standard.

8.9.6 Floor areas

The floor areas, as provided are as follows:

FLOOR AREAS	311.0 m^2

8.9.7 Other Improvements

Site development includes a sealed driveway, concrete paths, patio, fencing, small storage shed, well established lawns, and basic landscaping.

8.10 14 PEDDIE STREET

Involving a complex of 12 x 1 bedroom, 1980's residential flats. All of the flats are single storey. The flats are attached, in pods of 2 with shared carports.

Aerial

8.10.1 Floor areas

The floor areas, as provided are as follows:

1 Bedroom Flats	49.0 m^2
Total Carports Area	187.2 m^2

8.10.2 Layout and accommodation

The 1 bedroom flats are compact and subdivided to provide a lounge, kitchen, bedroom and bathroom/laundry. There is front and rear pedestrian access. To the rear of the flat is a small storage shed.

The flats have shared yard space.

8.10.3 Building summary and condition

Fixtures and fittings contained within the flats mostly dated and are of a generally average quality and condition for their age.

External decoration is to a tidy standard, while internally it is to an average, original standard.

8.10.4 Other Improvements

Site development includes a concrete driveway/parking areas, concrete paths, average quality fencing, small storage sheds, well established lawns, and basic landscaping.

8.11 26 PUKETAPU ROAD

Involving a complex of 16 x 1 bedroom, 1960's residential flats. All of the flats are single storey.

Aerial

8.11.1 Floor areas

The floor areas, as provided are as follows:

1 Bedroom	44.5 m^2
Total carport floor area	240.0 m^2

8.11.2 Layout and accommodation

The 1 bedroom flats are attached, in pods of 2 with attached carports provided. The flats are compact and subdivided to provide a lounge/kitchen area and bedroom with a bathroom off. To the front of the flats is a porch.

The flats have shared yard and courtyard areas.

8.11.3 Building summary and condition

Fixtures and fittings contained within the flats mostly dated and are of a generally average quality and condition for their age.

External decoration is to an average standard, while internally it is to an average, original standard.

8.11.4 Other Improvements

Site development includes concrete driveway/parking areas, concrete paths, average quality fencing, small storage sheds, well established lawns, and basic landscaping.

8.12 11 OXFORD STREET

Involving a complex of 40 x 1 bedroom, 1970's residential flats. All of the flats are single storey. The flats are attached, typically in pods of 2 some attached single carports.

Aerial

8.12.1 Floor areas

The floor areas, as provided are as follows:

1 Bedroom Flat	37.0 m^2

8.12.2 Layout and accommodation

The flats are compact and subdivided to provide a lounge/kitchen area and bedroom with a bathroom off. There is front and rear pedestrian access. To the rear of the flat is a small courtyard area with an attached storage cupboard. To the side of the flat is a small paved outdoor area with a pergola. The remainder of the site includes shared yard and paths.

8.12.3 Building summary and condition

Fixtures and fittings contained within the flats mostly dated but tidy and are of a generally average quality and condition for their age.

Decoration is to a tidy basic standard.

8.12.4 Other Improvements

Site development includes a sealed driveway, concrete paths, patio, fencing, well established lawns, and basic landscaping.

9.0 MARKET COMMENTARY

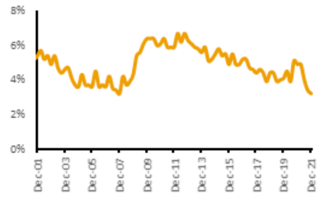
9.1 ECONOMIC OVERVIEW

- New Zealand's economy has continued its strong performance and is expected to continue to grow as it recovers from the COVID-19 restrictions imposed in the second half of 2021. The majority of businesses have adapted to operating with COVID-19 health restrictions. The hospitality, tourism and accommodation sectors are continuing to bear the brunt of the COVID-19 restrictions. Strong commodity prices, growth in construction activity, ongoing government spending on infrastructure and COVID-19 support payments should underpin economic activity in the short to medium term.
- Annual inflation has increased to 6.9% which is well above the Reserve Bank's target range of 1.0% to 3.0% per annum. Higher inflation is one of the drivers behind the Reserve Bank's decision to increase the official cash rate (OCR) and indicates that further increases are likely over the next 12 months. Market expectation is for the OCR to reach 3.0% by the first half of 2023. The expected 2.25% increase in the OCR is likely to flow through to higher mortgage interest rates.
- On a more positive note, labour market conditions have continued to improve with both an increase in the number of people employed and a fall in the unemployment rate. Wage growth has also started to increase with further growth expected as skilled labour shortages increase.
- COVID-19 border restrictions have continued to impact on the number of people returning to New Zealand. Net migration in the November 2021 year was -4,021 people. Low inward migration has reduced the country's population growth and lowered the growth in housing demand.
- The potential impact of future COVID-19 related restrictions remains a key risk for our economy, along with tightening monetary policy and an overvalued housing market. External risks to our economy have also increased with unrest in Eastern Europe and central banks around the world tightening their monetary policy settings.
- Housing market conditions are expected to cool from their current highs as the impact of higher interest rates, tighter lending criteria and slower population growth flows through to market activity.

GDP

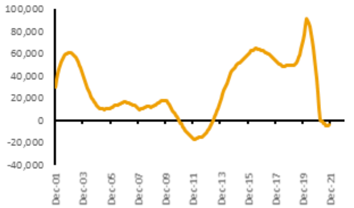
GDP rose by 3.0% in the December 2021 quarter, this following a fall of 3.6% in the September 2021 quarter. The average annual GDP rose 5.6% through the year to December 2021. The size of the New Zealand economy is now $350 billion.

Unemployment Rate



The number of people employed increased by 101,100 over the December 2021 year and the official unemployment rate fell to 3.2%, this being the lowest rate since records began in 1986.

Net Migration



Net annual overseas migration gains fell to negative 4,021 people in the November 2021 year. COVID-19 related border restrictions are expected to result in low levels of net migration gains over the next 12 months, slowing population growth.

CPI

6.90%

Inflationary pressures are broad based and largely driven by strong domestic demand, materials shortages, rising fuel prices, and increased transportation costs.

Official Cash Rate (OCR)

1.50%

The official cash rate is now 1.25% higher than 12 months ago, with further increases expected during 2022.

9.2 REGIONAL PROPERTY MARKET

New Zealand's economy has continued to outperform market expectations. However, border restrictions are likely to continue into 2022 and limit population growth and the demand for additional dwellings. The tightening of monetary policy settings and the expectation of interest rate increases is likely to temper future market activity. In addition, the introduction of other monetary policy tools such as maximum debt to income ratios, the tightening of banks' loan to value ratios, and the change in the tax treatment of investment property may also weigh on market activity.

Key recent indicators show Hawkes Bay's regional economic confidence softened from a net 23% of respondents in March 2021 to a net 13% of respondents in June 2021, indicating a fall in the number of people expecting the region's economy to improve over the next 12 months. In addition, the region's consumer confidence softened by 4 percentage points over the same time period, (source Westpac).

There is some uncertainty over economic conditions over the next 12 months as both the global and national impacts from Covid-19 flow through our economy. Further Government policies are potentially impacting business with additional costs around minimum pay and sick leave. Any slowing in the economy would likely help flatten the property market.

9.3 LOCAL PROPERTY MARKET

REINZ data which includes only recent market sales through real estate agents indicates Napier's average median sale price over the three-month period from January 2022 to March 2022 to be up 15% over the same period last year to $850,667 and Hastings up 15% to $802,333. The number of sales over the same period in Napier has decreased by 15% compared to last period and Hastings also decreased 25% relative to the corresponding 2021 period.

Hawkes Bay days to sell for March 2022 of 36 days is more than the 10 year average. There were 16 weeks of inventory in March 2022 which is 6 weeks more than the same time last year.

Over the last 3-5 year period, the strong demand for housing, lack of supply and low interest rates has provided strong support for the overall residential market. The Government and Reserve Bank recently announced that they will take action to address housing affordability, with the first measure being LVR restrictions, the extension of the bright line test to 10 years combined with changing the tax treatment of interest payments on residential investment properties. New builds will be exempt from the above changes with the goal to provide incentives to increase housing supply.

With the last CPI figures well above expectations, the Reserve Bank responded by increasing the OCR a further 0.50 basis points (13 April) to 1.50% with further rises to the OCR expected. Fixed interest rates from major trading banks have increased, this combined with recent changes to lending laws requiring lenders to complete thorough checks are cooling the market. Anecdotally we are aware of investors selling and fewer investor buyers in the market, first home buyers significantly down, less multi-offer situations and lower open home attendees. We are seeing signs of the market easing from the frenetic situation that has existed, to a more balanced market.

New Zealand now operates under a traffic light system in response to COVID-19, with all of New Zealand moved to orange traffic light setting on the 14th of April.

We expect demand for residential property to be mixed, with lower sale volumes indicating a 'standoff' between vendors and purchasers. Rising interest rates and stricter lending requirements are likely to temper the market in the medium to long term.

The residential investment market is in line with the above wider residential market with generally good demand although this has eased over recent times. We expect this sector to continue to be steady in the short to medium term largely driven by the shortage of housing but slightly hindered by increased interest rates, compliance and tax implications.

10.0 RENTAL EVIDENCE

10.1 RESIDENTIAL

Recent residential rental evidence in Napier is summarised below:

No	Current Rents	Per Week	Bedrooms	Condition	Location	Comments
1	Dinwiddie Ave	$460-$480	2	New	Below average	Compact detached dwelling, onsite parking, average new build
2	Hitching Ave	$480-$500	2	New	Below average	Part of a 10 unit complex, onsite parking, average new build
3	Hitching Ave	$620-$640	3	New	Below average	Part of a 10 unit complex, onsite parking, average new build
4	Lamb Street	$460-$480	2	New	Below average	Compact detached dwelling, onsite parking, average new build
5	Faraday St	$430	2	Basic	Average	Part of 12 unit complex with onsite parking.
6	King Street	$470	2	Average	Good	An attached two bedroom flat with an adjoining single garage. Dated average condition.
7	Exeter Cres	$470	2	Average	Average	An attached two bedroom flat with an adjoining single garage. Dated average condition.
8	Bledisloe Road	$475	2	Tidy	Below average	A tidy, partly modernised, semi-detached two bedroom flat with tidy garage conversion utilised as a second living area.
9	Crichton Place	$480	2	Tidy	Below average	A two bedroom flat in tidy condition with modernised kitchen and bathroom, single carport.
10	Ashridge Road	$430	1	Tidy	Good	Two semi-detached one bedroom flats with an attached single garage and a hobbies room. Tidy, average condition.
11	Morgan Ave	$600	3	Tidy	Above average	Slightly dated 3 bedroom dwelling with detached garaging and an outroom.
12	Logan Ave	$475	2	Tidy	Good	An attached two bedroom flat with an adjoining single garage. Dated average condition.
13	Marine Parade	$440	2	Average	Good	Part of complex with onsite parking.

10.2 CONCLUSION

We have sourced the above evidence from the Telfer Young database (above). We have also made consideration to information released from bonds lodged with the Ministry of Business Innovation and Employment (Tenancy Services) in Napier.

We expect the following rental rates to apply to the various properties and typologies:

Address	1 Bed	2 Bed	3 Bed
83 Tait Dr	$400		$535
Henry Charles Cres	$395		
465 Hastings St	$415		
6 Nelson Cres		$450/$470	
33 - 37 Wellesley Pl	$400	$450/$470	
150 Carlyle St	$415	$450	$535
Oriel Place	$400/$410		
55 Coventry Ave	$400		
22 Lancaster St	$415	$450	
14 Peddie St	$425		
26 Puketapu Rd	$425		
11 Oxford St	$415		

The above rents are inclusive of GST and includes rates and insurance.

10.2.1 Community Hall Rental

Some of the complexes have Community Halls, to assess these and in particular when using income methodology, we have assessed a notional rent. Due to the lack of comparable evidence within Hawkes Bay we have also considered evidence from other North Island provincial areas. The rent applied to those properties that have halls has been carried out on an inclusive of GST basis to keep consistency with the residential component.

11.0 SALES EVIDENCE

11.1 HAWKES BAY

Address	Date	Price	Floor area	Units	Gross Yield	Sale $ / Unit
Improved Sales						
10 Faraday Street	23 August 2021	Confidential	630 m^2	12	7.64%	$282,917
8 Barker Road	25 June 2021	$515,000	140 m^2	2	6.06%	$257,500
705 Avenue Road West	29 September 2021	$750,000	130 m^2	2	5.58%	$375,000
99 Shakespeare Road	9 December 2021	$760,000	160 m^2	2	6.84%	$380,000
217 Nikau Street	1 June 2019	$820,000	230 m^2	4	7.80%	$205,000
11 Latham Street	8 April 2021	$849,000	220 m^2	2	6.43%	$424,500
42 Kennedy Road	25 February 2022	$927,500	216 m^2	2	5.60%	$463,750
8 Hadfield Terrace	23 December 2021	$930,000	170 m^2	2	5.31%	$465,000
201A Prospect Road	8 March 2021	$965,000	300 m^2	4	6.47%	$241,250
22A-B Milton Road	8 June 2021	$980,000	215 m^2	2	5.31%	$490,000
1009 Manuka Street	3 December 2020	$1,063,000	390 m^2	4	5.67%	$265,750
205A Omahu Road	7 July 2019	$1,156,000	340 m^2	6	8.64%	$192,667
406 Market Street South	27 October 2020	$1,227,250	290 m^2	4	6.77%	$306,813
104 Harold Holt Avenue	28 May 2021	$1,230,000	240 m^2	3	5.28%	$410,000
207 Windsor Avenue	4 February 2021	$1,325,000	270 m^2	3	5.70%	$441,667
409-419 Lowe Street	1 November 2021	$1,500,000	630 m^2	6	7.80%	$250,000
7 Saint Hill Lane	13 July 2021	$1,675,000	330 m^2	5	3.57%	$837,500
Yield Range				**2 - 12**	**3.57% - 8.64%**	**$192,000 - $837,500**

11.2 OTHER AREAS

Address	District	Date	Price	Units	Gross Yield	Sale $ / Unit
Improved Sales						
449 Childers Road	Gisborne	8 September 2021	$690,000	3	9.04%	$230,000
3/16 Asquith Street	Gisborne	27 May 2021	$900,000	3	6.85%	$300,000
31 Kauri Street	Kaipara	18 October 2021	$1,215,000	5	6.90%	$243,000
236 Stuart Street	Dunedin	5 July 2021	$1,322,000	3	6.55%	$440,667
660 Gladstone Road	Gisborne	7 May 2021	$1,370,000	5	6.64%	$274,000
105-111 Bedford Street	Porirua	5 August 2021	$1,502,500	4	7.26%	$375,625
9 Ruihi Street	Rotorua	16 August 2021	$1,530,000	7	6.80%	$218,571
133 Malfroy Road	Rotorua	21 July 2021	$1,600,000	5	5.80%	$320,000
45 Prince Albert Road	Dunedin	1 December 2021	$1,648,888	6	6.30%	$274,815
50-56 Leicester Street	Porirua	16 June 2021	$1,657,890	4	5.90%	$414,473
10A-10F Weymouth Street	New Plymouth	22 June 2021	$1,700,000	6	6.42%	$283,333
7 Harris Street	New Plymouth	15 June 2021	$1,900,000	8	6.87%	$237,500
516 Great King Street	Dunedin	8 December 2021	$1,980,000	3	5.71%	$660,000
147 Forth Street	Dunedin	30 June 2021	$2,045,000	2	5.16%	$1,022,500
664 Gladstone Road	Gisborne	24 June 2021	$2,090,000	4	6.84%	$522,500
14 Stoneyhurst Street	Christchurch	30 July 2021	$2,640,000	8	5.73%	$330,000
YIELD RANGE				**2 - 8**	**5.16% - 9.04%**	**$218,571 - $1,022,000**

11.3 SALES VALUE CONCLUSIONS

After consideration of the above evidence, we have applied the below yield and sale $/unit ranges to the various properties:

Number of Units	Gross Yield Range	Sale $/Unit Range
4 - 12	7.00% - 7.50%	$310,000 -$320,000
16 - 32	7.75% - 8.00%	$255,000 -$290,000
40 - 51	8.50% - 8.75%	$245,000 -$260,000
80	9.25%	$235,000

12.0 VALUATION

12.1 HIGHEST AND BEST USE

The Market Value of an asset will reflect its 'highest and best use'. The highest and best use is the use of an asset that maximises its potential and that is physically possible, legally permissible and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid.

In this instance, in our opinion, the current use of the asset is the highest and best use.

12.2 VALUATION APPROACH

To establish the Market Value of the property, we have adopted the following methods:

- Income Capitalisation Approach
- Market Approach

12.3 INCOME CAPITALISATION APPROACH

12.3.1 Income Approach

The Income Approach is predicated on the conversion of net actual or market income, which either is or could be generated by an owner of the interest, to value.

Income Capitalisation

This method encompasses the conversion of net income (actual, market or notional) to value via the application of a capitalisation rate or yield (investment return). The basic premise of income capitalisation is that a property investor expects a pre-determined rate of return on their investment.

The following table gives a broad overview of the values applied under this approach, see **Appendix C** for more detail.

Address	Units	Value	Total Gross Rent	Applied Yield
465 Hastings St	4	$1,610,000	$86,320	7.00%
14 Peddie St	12	$3,660,000	$265,200	7.25%
6 Nelson Cres	12	$3,900,000	$282,800	7.25%
26 Puketapu Rd	16	$4,565,000	$353,600	7.75%
Oriel Place	20	$5,260,000	$420,680	8.00%
33 - 37 Wellesley Pl	28	$8,445,000	$651,040	8.00%
55 Coventry Ave	31	$8,235,000	$644,800	8.00%
150 Carlyle St	32	$9,455,000	$756,340	8.00%
11 Oxford St	40	$10,155,000	$863,200	8.50%
22 Lancaster St	50	$12,885,000	$1,127,400	8.75%
83 Tait Dr	51	$14,315,000	$1,109,820	8.75%
Henry Charles Cres	80	$18,600,000	$1,720,540	9.25%

Conclusion

As per 11.3 we expect the following ranges:

Number of Units	Gross Yield Range
4 - 12	7.00% - 7.50%
16 - 32	7.75% - 8.00%
40 - 51	8.50% - 8.75%
80	9.25%

12.4 MARKET APPROACH

The Market Approach provides an indication of value by comparing the asset with identical or similar assets for which price information is available. In assessing value via this method, a unit of comparison that is used by market participants is first identified to establish valuation metrics, and then comparative analysis of qualitative and quantitative similarities and differences between the comparable sales and the subject is performed. The analysed valuation metrics are then applied to the subject to establish the market value.

This approach considers Market Value by directly comparing the property with sales of other similar properties. A unit of comparison is analysed, in this instance the rate per unit, to provide a basis of comparison. Adjustments for a range of variables may also need to be considered.

The following table gives a broad overview of the values applied under this approach, see **Appendix C** for more detail.

Address	Units	Value	Sale $ / Unit
465 Hastings St	4	$1,220,000	$305,000
14 Peddie St	12	$3,600,000	$300,000
6 Nelson Cres	12	$3,840,000	$320,000
26 Puketapu Rd	16	$4,560,000	$285,000
Oriel Place	20	$5,300,000	$265,000
33 - 37 Wellesley Pl	28	$8,120,005	$290,000
55 Coventry Ave	31	$7,905,000	$255,000
150 Carlyle St	32	$9,600,000	$300,000
11 Oxford St	40	$10,000,000	$250,000
22 Lancaster St	50	$13,000,000	$260,000
83 Tait Dr	51	$12,480,000	$245,000
Henry Charles Cres	80	$18,630,000	$235,000

Conclusion

As per 11.3 we expect the following ranges:

Number of Units	Sale $/Unit Range
4 - 12	$310,000 -$320,000
16 - 32	$255,000 -$290,000
40 - 51	$245,000 -$260,000
80	$235,000

12.5 SURPLUS LAND

The following three properties involve surplus land and we have made consideration to this within our final value conclusions and have applied the value below in addition:

Address	Area (m²)	$/m²	Value applied
83 Tait Drive	9300	$175	$1,630,000
55 Coventry Avenue	350	$500	$175,000
465 Hastings Street	750	$500	$375,000

12.6 VALUATION SUMMARY

The approaches show close correlation, but the most reliable method for establishing market value for this type of property is by the income capitalisation approach. Accordingly, we have placed most weight upon this approach. We then add the surplus land value to this. The values below incorporate the hall and surplus land those properties with these.

Address	Units	Value
465 Hastings St	4	$1,610,000
14 Peddie St	12	$3,660,000
6 Nelson Cres	12	$3,900,000
26 Puketapu Rd	16	$4,565,000
Oriel Place	20	$5,260,000
33 - 37 Wellesley Pl	28	$8,445,000
55 Coventry Ave	31	$8,235,000
150 Carlyle St	32	$9,455,000
11 Oxford St	40	$10,155,000
22 Lancaster St	50	$12,885,000
83 Tait Dr	51	$14,315,000
Henry Charles Cres	80	$18,600,000

12.6.1 Value Comparison

The below table compares the values from the 2020 period (2 June 2020) to the 2022 values above.

		Overall Value		Value Growth
Address	**Units**	**2022**	**2020**	**%**
465 Hastings St	4	$1,610,000	$965,000	167%
14 Peddie St	12	$3,660,000	$2,265,000	162%
6 Nelson Cres	12	$3,900,000	$2,860,000	136%
26 Puketapu Rd	16	$4,565,000	$2,985,000	153%
Oriel Place	20	$5,260,000	$3,065,000	172%
33 - 37 Wellesley Pl	28	$8,445,000	$6,250,000	135%
55 Coventry Ave	31	$8,235,000	$4,905,000	168%
150 Carlyle St	32	$9,455,000	$7,045,000	134%
11 Oxford St	40	$10,155,000	$6,615,000	154%
22 Lancaster St	50	$12,885,000	$8,055,000	160%
83 Tait Dr	51	$14,315,000	$9,245,000	155%
Henry Charles Cres	80	$18,600,000	$11,095,000	168%
AVERAGE				**155%**

12.6.2 Previous sale

There are no recent recorded sales for this property.

12.6.3 Reasonable selling period

The valuation is based upon a selling period of 6 months, which was the situation prior to Covid-19. The impacts of COVID-19 may well extend selling periods. The immediate selling situation will be severely impacted and how future markets will react is not able to be predicted at this stage.

12.6.4 Current contract

From our understanding the property is not for sale.

13.0 STATEMENT OF LIMITING CONDITIONS AND VALUATION POLICY

Purpose

This valuation report has been completed for the specific purpose stated. No responsibility is accepted in the event that this report is used for any other purpose.

Responsibility to third party

Our responsibility in connection with this valuation is limited to the client to whom the report is addressed and to that client only. We disclaim all responsibility and will accept no liability to any other party without first obtaining the written consent of TelferYoung (Hawkes Bay) Limited and the author of the report. TelferYoung (Hawkes Bay) Limited reserves the right to alter, amend, explain or limit any further information given to any other party.

Reproduction of report

Neither the whole nor any part of this valuation and report or any reference to it may be included in any published document, circular or statement without first obtaining our written approval of the form and context in which it may appear. Our report is only valid when bearing the Valuer's signature.

Date of valuation

Unless otherwise stated, the effective date of the valuation is the date of the inspection of the property. This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value.

Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of 3 months from the date of the valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

Legislation

We have not obtained a Land Information Memorandum (LIM) or Property Information Memorandum (PIM) for this property which, unless otherwise stated, is assumed to conform to all requirements of the Resource Management Act 1991, the New Zealand Building Code contained in the First Schedule to the Building Regulations 1992, the Building Act 2004 and any Historic Places Trust registration.

Our valuation reports are prepared on the basis that properties comply with all relevant legislation and regulations and that there is no adverse or beneficial information recorded on the Territorial Local Authority (TLA) property file, unless otherwise stated. Legislation that may be of importance in this regard includes the Health & Safety at Work Act 2015, the Fire Safety and Evacuation of Buildings Regulation 1992, and the Disabled Persons Community Welfare Act 1975.

Registrations

Unless otherwise stated, our valuation is subject to there being no detrimental or beneficial registrations affecting the value of the property other than those appearing on the title. Such registrations may include Waahi Tapu and Heritage New Zealand registrations.

Reliability of data

The data and statistical information contained herein was gathered for valuation purposes from reliable, commonly utilised industry sources. Whilst we have endeavoured to ensure that the data and information is correct, in many cases, we cannot specifically verify the information at source and therefore cannot guarantee its accuracy.

Assumptions

This report contains assumptions believed to be fair and reasonable at the date of valuation. In the event that assumptions are made, based on information relied upon which is later proven to be incorrect, or known by the recipient to be incorrect at the date of reporting, TelferYoung (Hawkes Bay) Limited reserves the right to reconsider the report, and if necessary, reassess values.

GST

The available sources of sales data upon which our valuation is based generally do not identify whether or not a sale price is inclusive or exclusive of GST. Unless it has been necessary and possible to specifically verify the GST status of a particular sale, it has been assumed that available sale price data has been transacted on a GST inclusive (if any) basis, which is in accordance with standard industry practice for most residential property. Should this interpretation not be correct for any particular sale or rental used as evidence, we reserve the right to reconsider our valuation.

Land survey

We have made no survey of the subject property and assume no responsibility in connection with these matters. Unless otherwise stated, the valuation has been assessed conditional upon all improvements being within the title boundaries.

Unless otherwise stated, we have not undertaken investigations or been supplied with geotechnical reports with respect to the nature of the underlying land. Unless otherwise stated, the valuation has been assessed conditional upon the land being firm and suitable ground for the existing and/or potential development, without the need for additional and expensive foundation and retaining work or drainage systems.

Contamination

We have not undertaken an environmental audit of the property. Unless otherwise stated, our valuation and report is conditional upon the land and buildings being unaffected by harmful contaminants or noxious materials which may impact on value. Verification that the property is free from contamination and has not been affected by noxious materials should be obtained from a suitably qualified environmental expert.

Not a structural survey

Our inspection has been undertaken for valuation purposes only, and does not constitute a structural survey. Verification that the building is sound should be obtained from a suitably qualified building engineer. If the building is found to be unsound, this finding/new information is likely to impact on the value of the property.

Earthquake-prone buildings

We are aware that a number of buildings are, or may be potentially, affected by local territorial authority policies for 'earthquake-prone' buildings (Earthquake-Prone Building Policies) required to be in place under the Building Act 2004. The Earthquake-Prone Building Policies may require building owners to undertake engineering investigations and subsequent structural upgrading, demolition or other steps to meet the requirements of the Earthquake-Prone Building Policies. Unless otherwise stated, our valuation makes no allowance for any costs of investigation, upgrading, demolition or other steps which may be incurred by the building owner to meet the requirements of Earthquake Prone Building Policies. We are not qualified to determine the 'earthquake-prone' status of the buildings. Our valuation is therefore subject to a review, investigation and assessment of seismic performance of the building, by a suitably qualified building engineer, to determine the 'earthquake-prone' status of the building and where required, an estimate of any costs for structural upgrading, demolition or other steps required for the building to meet the requirements of Earthquake-Prone Building Policies. If the building is found to be 'earthquake-prone', this finding is likely to impact on the value of the property, and our valuation may materially alter as a result.

Systems

Our valuation has been assessed conditional upon all hot and cold water systems, electric systems, ventilating systems and other devices, fittings, installations or conveniences, including lifts and escalators where appropriate, as are in the building, being in proper working order and functioning for the purposes for which they were designed.

Market valuations

Market valuations are carried out in accordance with the Valuation Standards and Guidance Notes. Market Value is defined "The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

No allowances are made in our valuations for any expenses of realisation, or to reflect the balance of any outstanding mortgages either in respect of capital or interest accrued thereon.

Water leaks and penetration effects

We are aware that a number of buildings have developed problems associated with water leaks, water penetration, weather-proofing, moisture and water exit control systems, mould, fungi, mildew, rot, decay, gradual deterioration, microorganisms, bacteria, protozoa or like forms. Problems can result from defects in design, construction methods and materials used, or any combination of defects.

Our valuation has been assessed conditional upon all buildings and structures being constructed strictly in accordance with recommended practices and free from defect unless otherwise stated. We are not qualified to undertake, nor have we undertaken, a structural survey of the buildings or structures. We accept no liability for any defects that may arise as a result of poor building design, construction methods or building materials. If you have any concerns, you should engage a suitably qualified person to report on this matter. Defects revealed by a suitably qualified expert may affect the value of the property.

Risk analysis

The Risk Analysis is a simplified analysis based on the current experience and knowledge of the Valuer and is not a technical analysis. Those relying on the valuation cannot expect that the Valuer brings to the task any greater level of common knowledge or ability to foresee events than can be expected of persons experienced in the market for that class of property in its market place (which may be local or broader). The risk analysis is the product of the current experience of the Valuer based on information that is common knowledge and/or readily ascertainable in the market for that class of property in its market place. The risk analysis does not reflect information that is privileged or to which the market for that class of property in its market place does not have ready access and it does not reflect decisions, announcements, releases, articles and the like that the Valuer has not had reasonable time and opportunity to assess and consider, or would in the ordinary course of acting as a valuer become aware of or have access to. Subject to these limitations, the risk analysis indicates the level of adverse impact each stated aspect has on the subject property's value and marketability as at the date of valuation.

Professional indemnity cover

We have in force at the time of supplying the above valuation, current professional negligence insurance appropriate to the nature and level of our business activities. The Registered Valuer is covered by the policy.

Valuer's statement

This report has been undertaken by Lucas Paku who has inspected the property externally and internally. The Registered Valuer holds an Annual Practicing Certificate.

Please contact the writer should you wish to discuss any matters raised in this report.

Yours faithfully

TelferYoung (Hawkes Bay) Limited

Lucas Paku - BCom (VPM)
Director, Registered Valuer
Email: lucas.paku@telferyoung.com

APPENDIX

APPENDIX A RECORDS OF TITLE

RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD
Search Copy

R.W. Muir
Registrar-General
of Land

Identifier HBP3/823
Land Registration District Hawkes Bay
Date Issued 29 July 1992

Prior References
HBE1/642

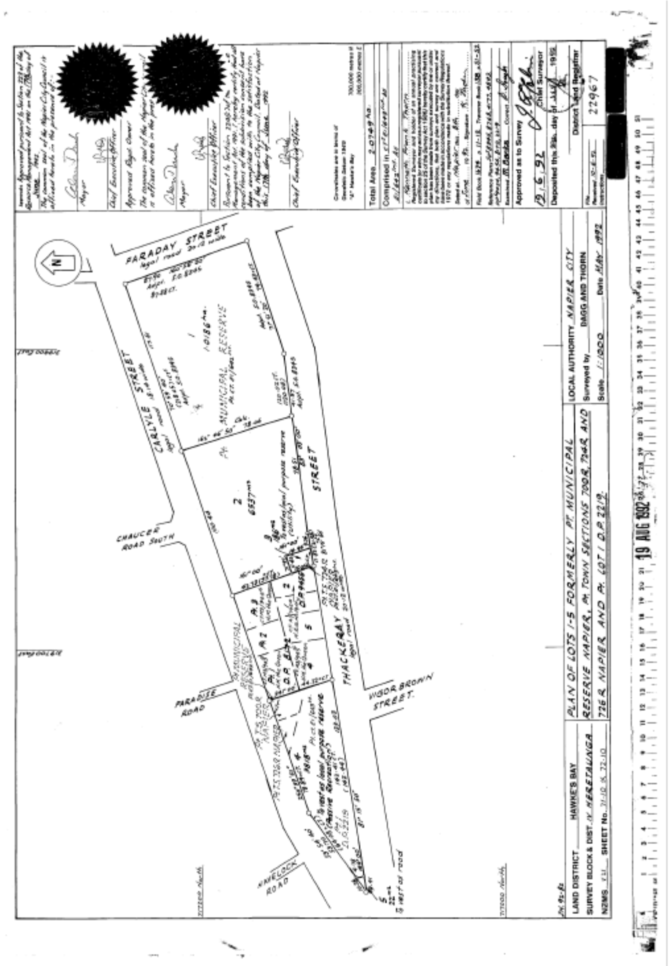
Estate	Fee Simple
Area	6537 square metres more or less
Legal Description	Lot 2 Deposited Plan 22967
Purpose	An endowment
Registered Owners	
Napier City Council	

Interests

Transaction ID 68795737
Client Reference egerbes001

Search Copy Dated 22/04/22 11:00 am, Page 1 of 2
Register Only

Identifier HBP3/823



Transaction ID 68795737
Client Reference egerbes001

Search Copy Dated 22/04/22 11:00 am, Page 2 of 2
Register Only

RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD
Search Copy

R.W. Muir
Registrar-General
of Land

Identifier	HB81/55
Land Registration District	Hawkes Bay
Date Issued	08 December 1933

Part-Cancelled

Estate	Fee Simple
Area	1492 square metres more or less
Legal Description	Town Section 568 Town of Napier
Purpose	As an endowment for the use, benefit and improvement of the Borough of Napier

Registered Owners
Napier Borough Council

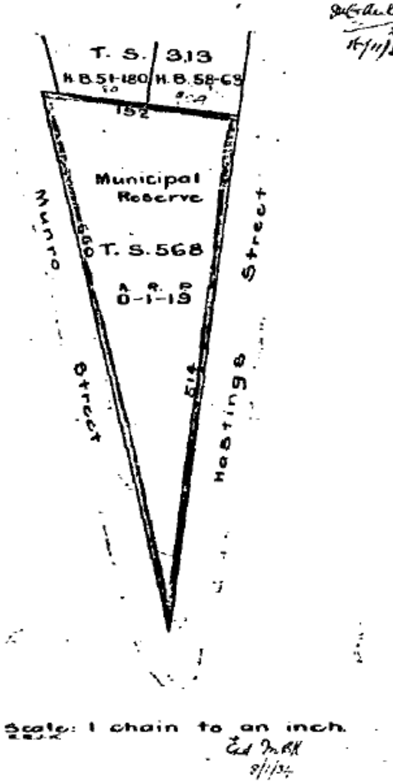
Interests

This is an INTERIM Certificate of Title

This Certificate has by effluxion of time become "CONCLUSIVE" as defined by Section 2 of The Land Transfer (Hawke's Bay) Act, 1931 as to all matters EXCEPT the description and delineation of the land

119147 Special Order by Napier City Council declaring Lot 3 DP 8884 to be public street - 16.11.1954

Identifier HB81/55



Lease 12
8884
THIS REPR
CERTIFIED
ORIGINAL
SECTION 21

RIC AREA IS 1492 m²
− 175
1317
S/order 119147

RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD
Search Copy

R.W. Muir
Registrar-General
of Land

Identifier	HB90/266
Land Registration District	Hawkes Bay
Date Issued	30 October 1934

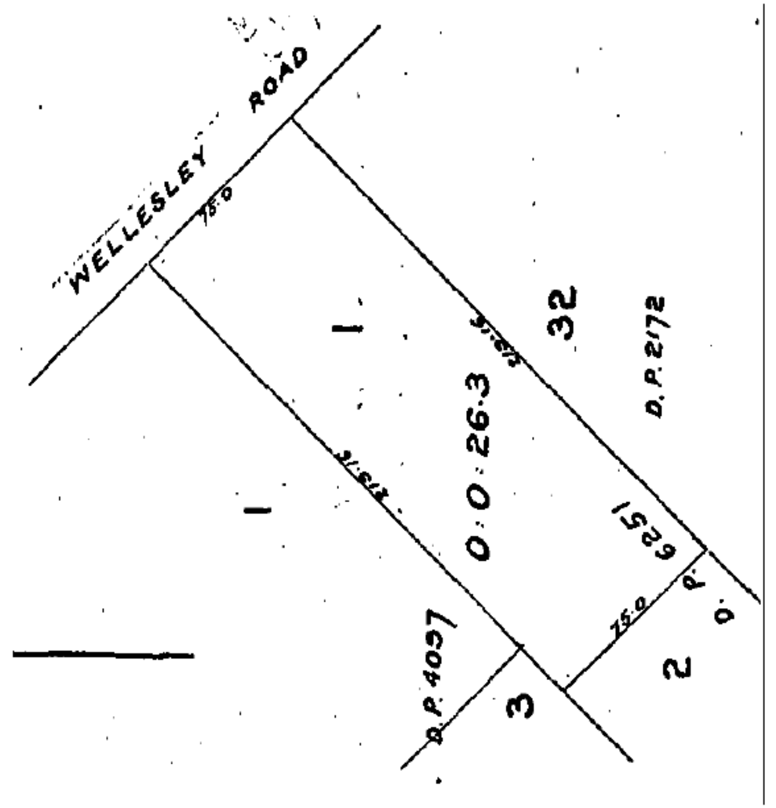
Estate	Fee Simple
Area	665 square metres more or less
Legal Description	Lot 1 Deposited Plan 6251
Registered Owners	

Napier City Council

Interests

Land Covenant in Transfer 19894

Identifier HB90/266



RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD
Search Copy

R.W. Muir
Registrar-General
of Land

Identifier HBC1/35
Land Registration District Hawkes Bay
Date Issued 09 October 1967

Prior References
HB18/93

Estate Fee Simple
Area 1214 square metres more or less
Legal Description Lot 34 Deposited Plan 2172
Registered Owners
Napier City Council

Interests

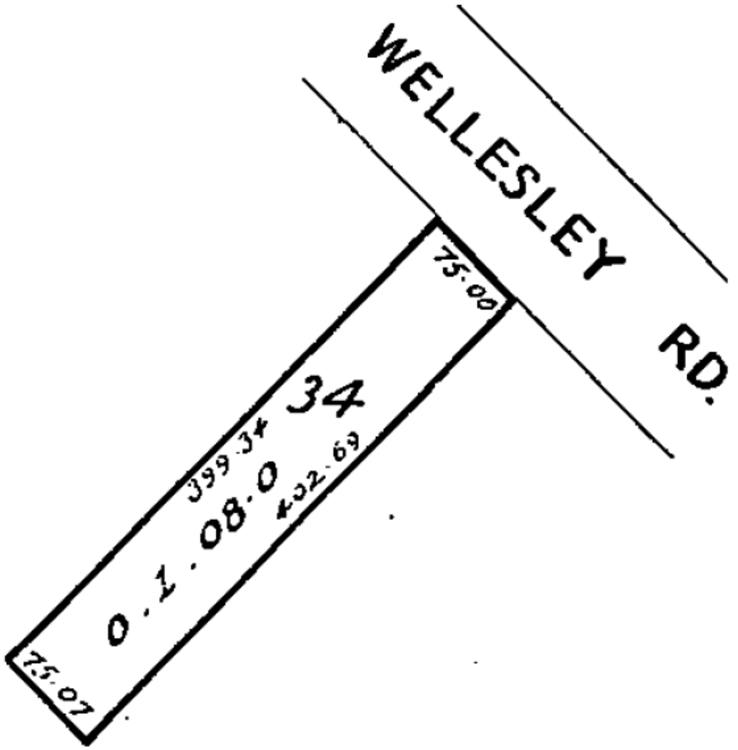
Subject to a right to drain stormwater created by Transfer 23484

Appurtenant hereto is a right to drain stormwater created by Transfer 23484

Transaction ID 68795836
Client Reference egerbes001

Search Copy Dated 22/04/22 11:04 am, Page 1 of 2
Register Only

Identifier HBC1/35



Transaction ID 68795836
Client Reference egerbes001

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Register Only

RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD
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R.W. Muir
Registrar-General
of Land

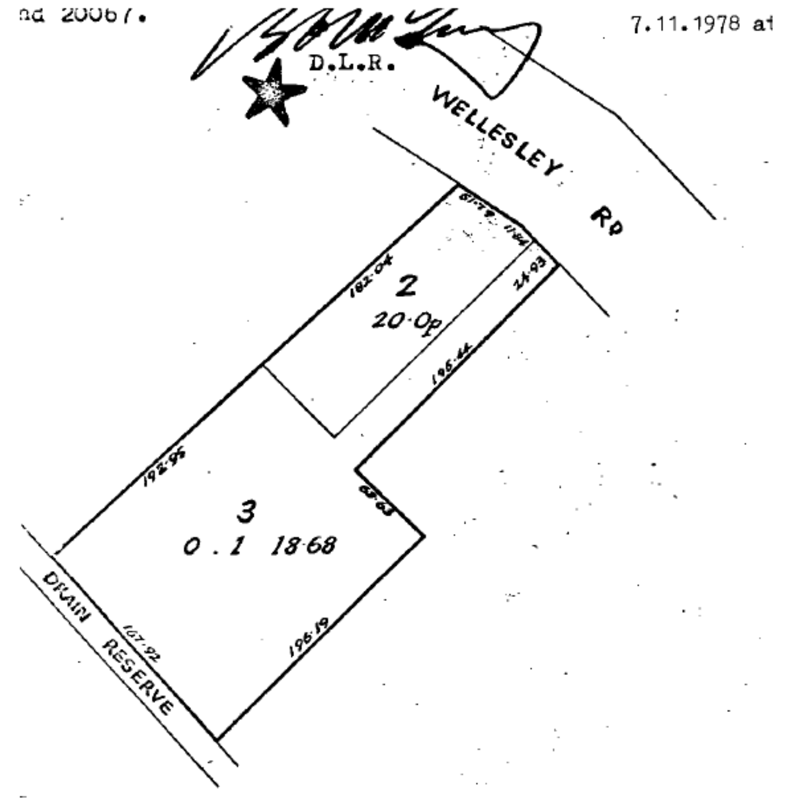
Identifier	**HBC4/1064**
Land Registration District	**Hawkes Bay**
Date Issued	24 June 1969

Prior References
HB21/270

Estate	Fee Simple
Area	1990 square metres more or less
Legal Description	Lot 2-3 Deposited Plan 4097
Registered Owners	
Napier City Council	

Interests

Identifier **HBC4/1064**



RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD
Search Copy

R.W. Muir
Registrar-General
of Land

Identifier	**HBC4/1142**
Land Registration District	**Hawkes Bay**
Date Issued	24 June 1969

Prior References
HB90/267

Estate	Fee Simple
Area	531 square metres more or less
Legal Description	Lot 2 Deposited Plan 6251

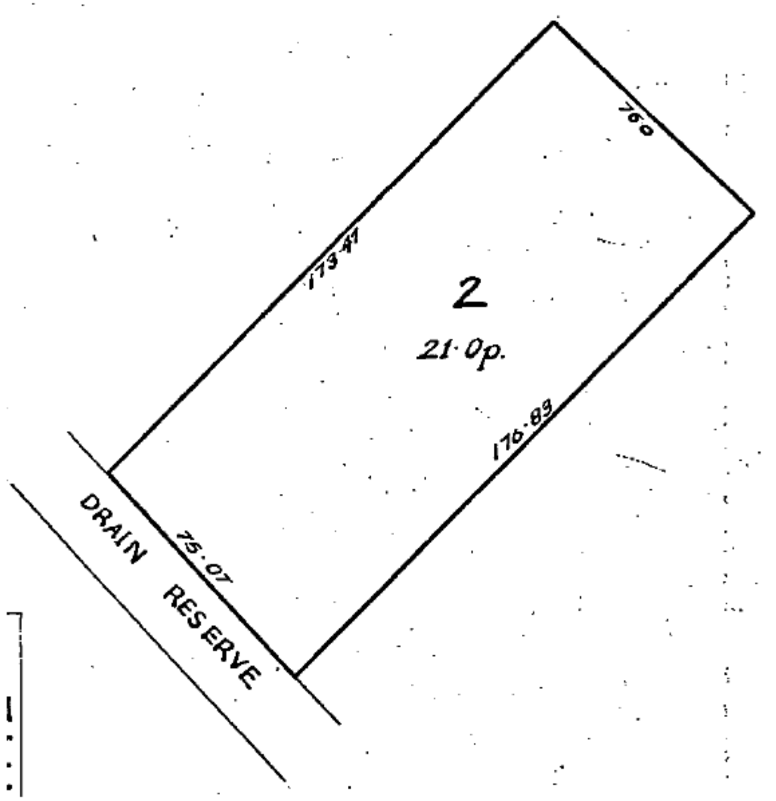
Registered Owners
Napier City Council

Interests
Appurtenant hereto is a right to drain stormwater

Transaction ID 68795852
Client Reference egerbes001

Search Copy Dated 22/04/22 11:05 am, Page 1 of 2
Register Only

Identifier **HBC4/1142**



Transaction ID 68795852
Client Reference egerbes001

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RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD
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R.W. Muir
Registrar-General
of Land

Identifier	**HBD4/247**
Land Registration District	**Hawkes Bay**
Date Issued	22 June 1971

Prior References
HB95/188

Estate	Fee Simple
Area	304 square metres more or less
Legal Description	Part Lot 32 Deposited Plan 2172
Registered Owners	

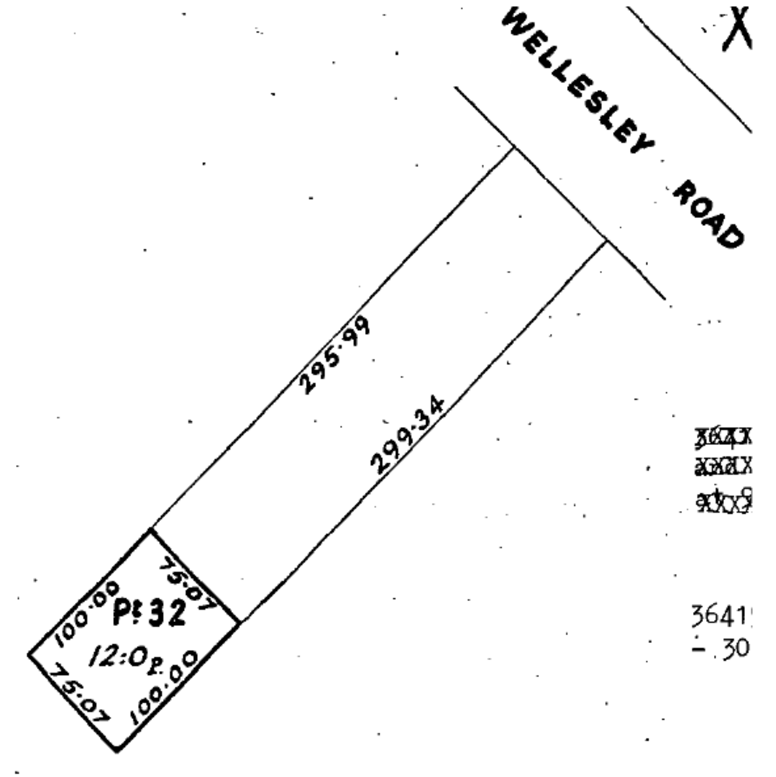
Napier City Council

Interests

Subject to drianage and fencing rights created by Transfer 21958

Transaction ID 68795861
Client Reference egerbes001
Search Copy Dated 22/04/22 11:05 am, Page 1 of 2
Register Only

Identifier **HBD4/247**



Transaction ID 68795861
Client Reference egerbes001
Search Copy Dated 22/04/22 11:05 am, Page 2 of 2
Register Only

RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD
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R.W. Muir
Registrar-General
of Land

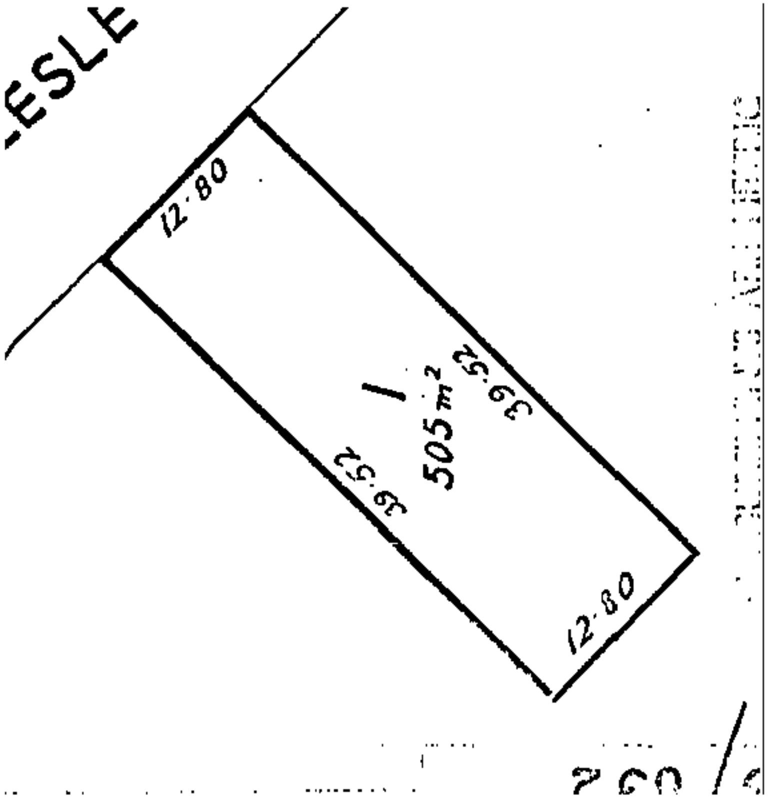
Identifier	HBE3/832
Land Registration District	Hawkes Bay
Date Issued	17 May 1973

Prior References
HB92/65

Estate	Fee Simple
Area	505 square metres more or less
Legal Description	Lot 1 Deposited Plan 4097
Registered Owners	
Napier City Council	

Interests

Identifier HBE3/832



RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
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R.W. Muir
Registrar-General
of Land

Identifier	**HBH3/812**
Land Registration District	**Hawkes Bay**
Date Issued	18 December 1978

Prior References
HB95/232

Estate	Fee Simple
Area	885 square metres more or less
Legal Description	Part Lot 32 Deposited Plan 2172

Registered Owners
Napier City Council

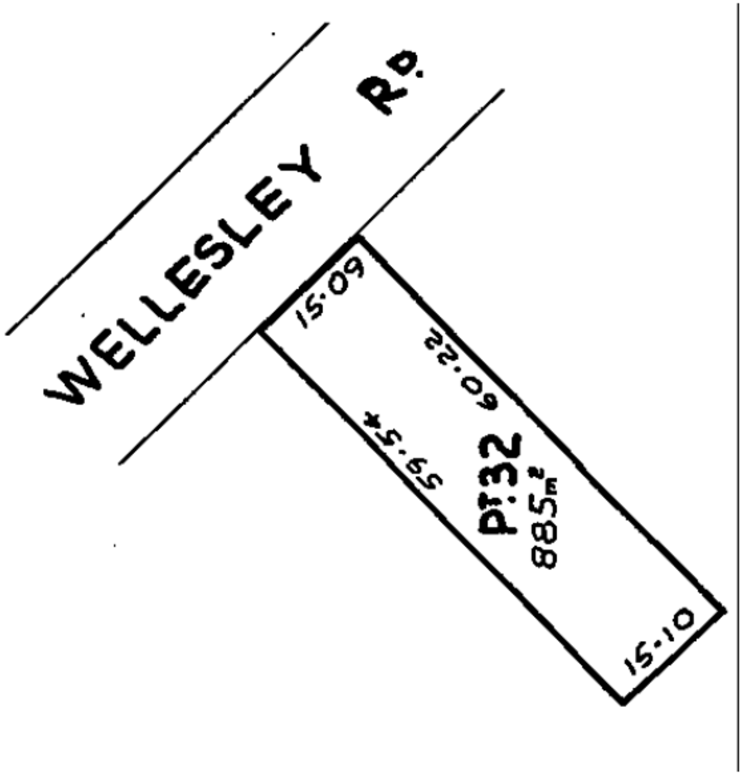
Interests

Subject to Section 168A Coal Mines Act 1925

Subject to Section 8 Coal Mines Amendment Act 1950

Transaction ID 68795888
Client Reference egerbes001
Search Copy Dated 22/04/22 11:06 am, Page 1 of 2
Register Only

Identifier **HBH3/812**



Transaction ID 68795888
Client Reference egerbes001
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Register Only

RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
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R.W. Muir
Registrar-General
of Land

Identifier	**HBJ2/918**
Land Registration District	**Hawkes Bay**
Date Issued	21 July 1981

Prior References
HBC4/1141 HBG3/1173

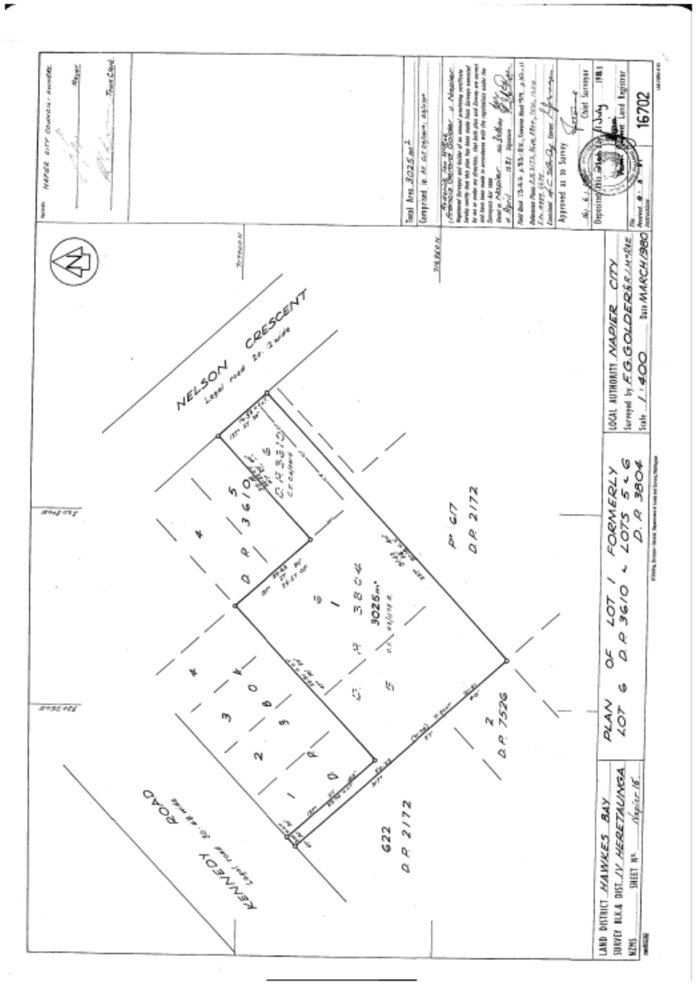
Estate	Fee Simple
Area	3025 square metres more or less
Legal Description	Lot 1 Deposited Plan 16702
Registered Owners	
Napier City Council	

Interests

Land Covenant in Easement Instrument 7838874.8 - 6.6.2008 at 9:00 am

Transaction ID 68795897
Client Reference egerbes001
Search Copy Dated 22/04/22 11:07 am, Page 1 of 2
Register Only

Identifier **HBJ2/918**



Transaction ID 68795897
Client Reference egerbes001
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R.W. Muir
Registrar-General
of Land

Identifier	**HBE3/7**
Land Registration District	**Hawkes Bay**
Date Issued	02 March 1973

Prior References
HB170/162

Estate	Fee Simple
Area	1.3410 hectares more or less
Legal Description	Lot 24 Deposited Plan 9788
Registered Owners	

Napier City Council

Interests

614902.1 CERTIFICATE CERTIFYING THE WITHIN LAND IS SUBJECT TO SECTION 37 OF THE BUILDING ACT 1991 - 17.10.1994 AT 9.38 AM

Transaction ID 68795904
Client Reference egerbes001

Search Copy Dated 22/04/22 11:07 am, Page 1 of 2
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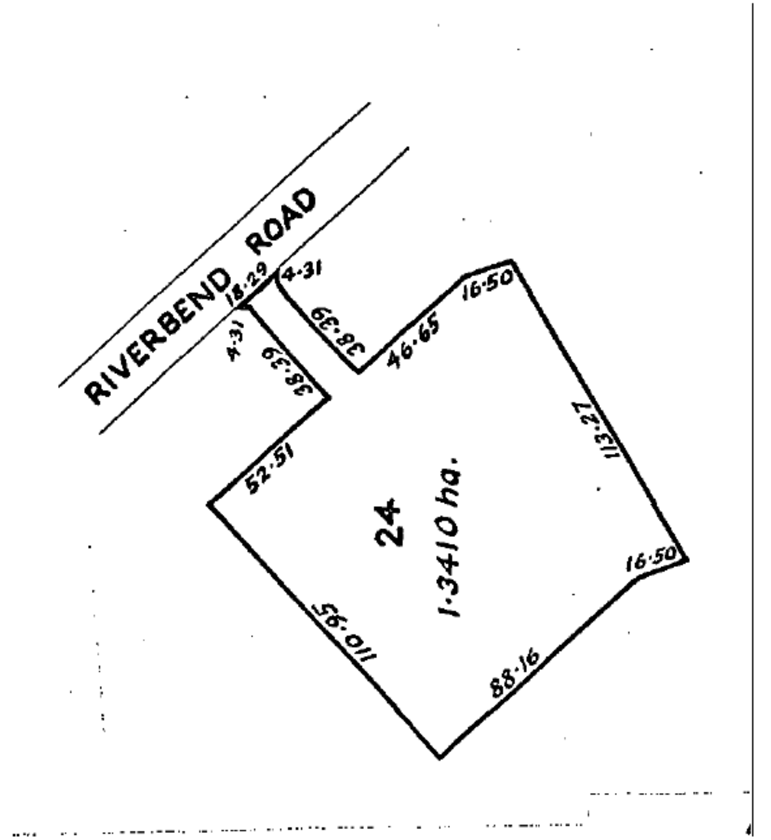
Identifier **HBE3/7**



Transaction ID 68795904
Client Reference egerbes001

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R.W. Muir
Registrar-General
of Land

Identifier	**HBV4/1388**
Land Registration District	**Hawkes Bay**
Date Issued	05 August 1996

Prior References

HBA1/1133 HBB3/415

Estate	Fee Simple
Area	1.1907 hectares more or less
Legal Description	Lot 1 Deposited Plan 25920 and Lot 147 Deposited Plan 11015

Registered Owners

Napier City Council

Interests

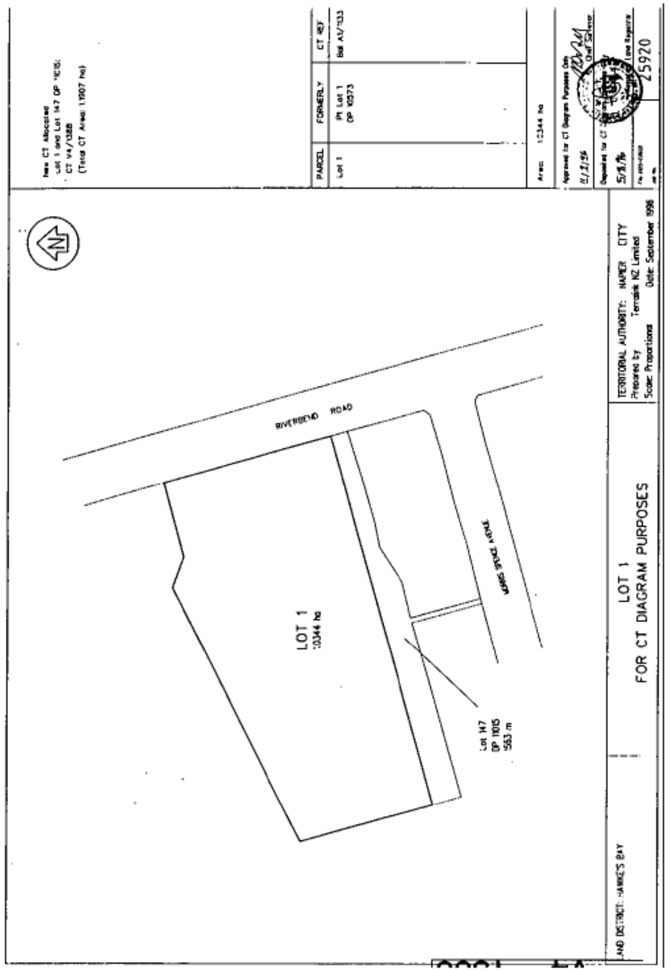
Subject to Section 59 Land Act 1948 (affects part)

614902.1 CERTIFICATE PURSUANT TO SECTION 37 BUILDING ACT 1991 - 17.10.1994 AT 9.38 AM (AFFECTS LOT 1 DP 25920)

Transaction ID 68795983
Client Reference egerbes001

Search Copy Dated 22/04/22 11:10 am, Page 1 of 2
Register Only

Identifier **HBV4/1388**



Transaction ID 68795983
Client Reference egerbes001

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FREEHOLD
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R.W. Muir
Registrar-General
of Land

Identifier	**HBY2/100**
Land Registration District	**Hawkes Bay**
Date Issued	19 October 2000

Prior References
HBV4/1391

Estate	Fee Simple
Area	3662 square metres more or less
Legal Description	Lot 6 Deposited Plan 11939

Registered Owners
Napier City Council

Interests

Subject to Section 59 Land Act 1948

SUBJECT TO SECTION 351E (1) (C) MUNICIPAL CORPORATIONS ACT 1954 (AFFECTS DP 11939)

Subject to a right (in gross) to convey electrical energy over part coloured yellow on DP 11939 in favour of Hawkes Bay Network Limited created by Transfer 708481.2 - 19.10.2000

The easements created by Transfer 708481.2 are subject to Section 351E (1) (a) Municipal Corporations Act 1954

Subject to a right (in gross) to convey electricity and telecommunications over part marked A on DP 547230 in favour of Unison Networks Limited created by Easement Instrument 11730807.1 - 23.6.2020 at 3:12 pm

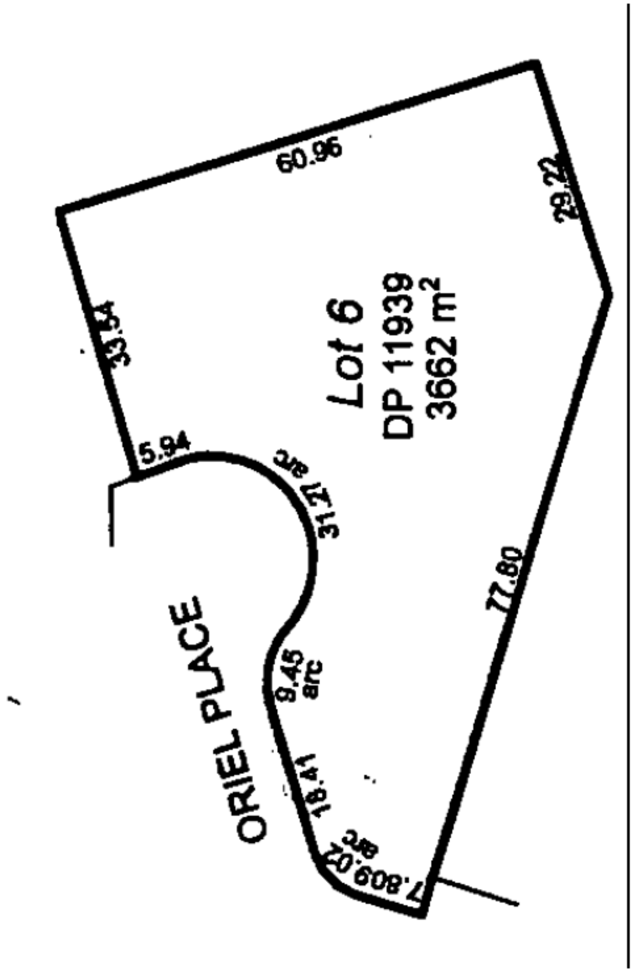
11974962.1 Resolution pursuant to Section 243(f)(ii) Resource Management Act 1991 cancelling the easement condition on plan 11939 as to the power and stormwater easements coloured blue hatched yellow - 18.12.2020 at 8:08 am

Subject to a right (in gross) to drain sewage over parts marked A, C & D and to drain water over parts marked B & D all on DP 555924 in favour of Napier City Council created by Easement Instrument 11974962.3 - 18.12.2020 at 8:08 am

Transaction ID 68795992
Client Reference egerbes001

Search Copy Dated 22/04/22 11:11 am, Page 1 of 2
Register Only

Identifier **HBY2/100**



Transaction ID 68795992
Client Reference egerbes001

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RECORD OF TITLE
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R.W. Muir
Registrar-General
of Land

Identifier	**HBM3/539**
Land Registration District	**Hawkes Bay**
Date Issued	22 February 1990

Prior References
HBG1/11

Estate	Fee Simple
Area	1.2412 hectares more or less
Legal Description	Lot 2 Deposited Plan 21327
Registered Owners	
Napier City Council	

Interests

Subject to a sewage right (in gross) over part in favour of The Napier City Council created by Transfer 314330.10

The easements created by Transfer 314330.10 are subject to Section 351E (1) (a) Municipal Corporations Act 1954

Transaction ID 68795999
Client Reference egerber001

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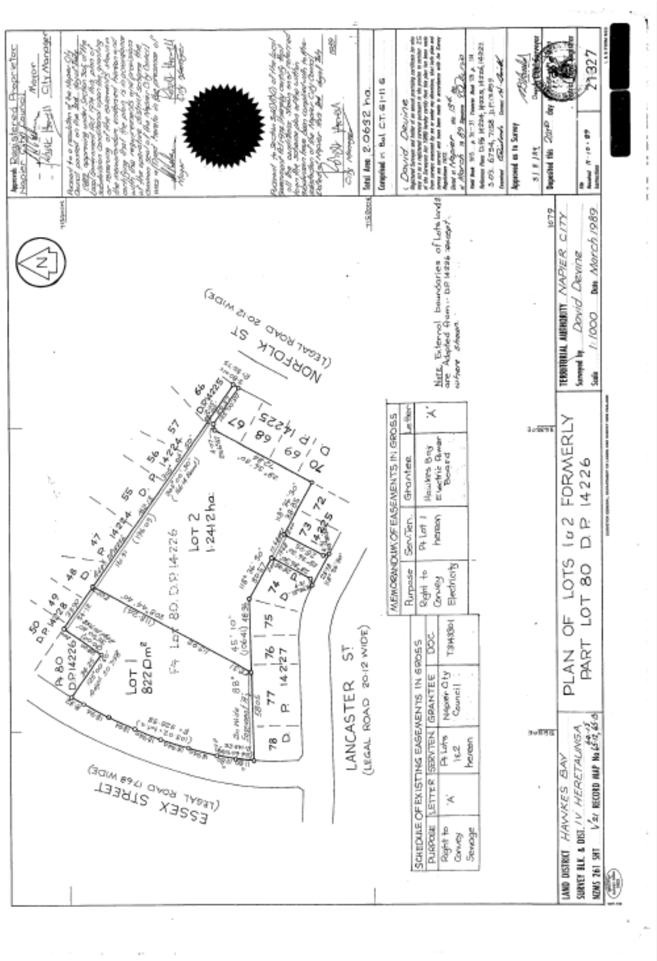
Register Only

Identifier HBM3/539



Transaction ID 68795999
Client Reference egerber001

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UNDER LAND TRANSFER ACT 2017
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R.W. Muir
Registrar-General
of Land

Identifier	**HBE2/1284**
Land Registration District	**Hawkes Bay**
Date Issued	06 February 1973

Prior References
HBE2/1162

Estate	Fee Simple
Area	6824 square metres more or less
Legal Description	Lot 144 Deposited Plan 13055
Registered Owners	

Napier City Council

Interests

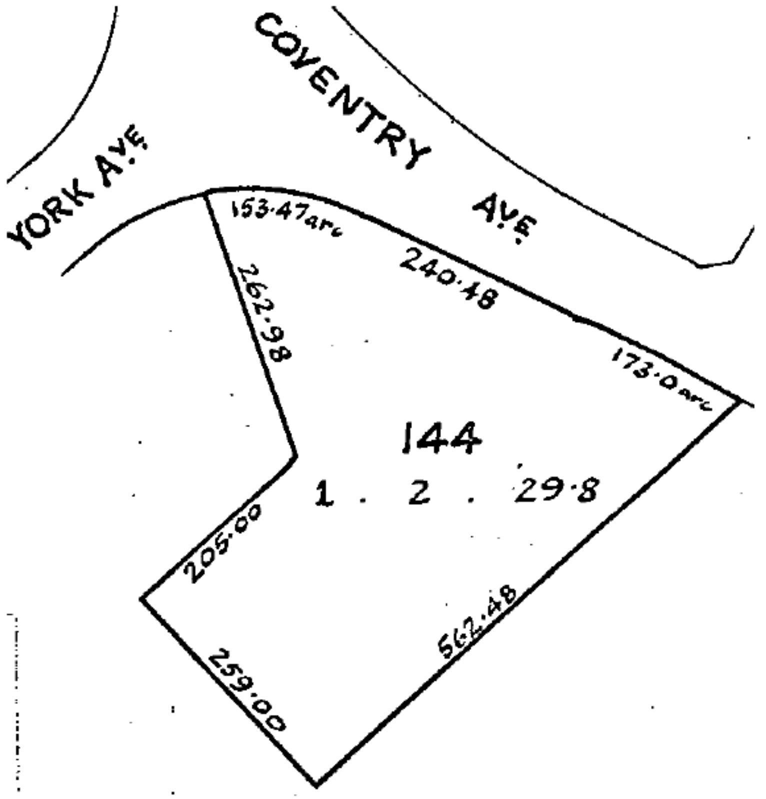
Subject to sewage rights (in gross) over part in favour of The Napier City Council created by Transfer 276700

The easements created by Transfer 276700 are subject to Section 351E (1) (a) Municipal Corporations Act 1954

Transaction ID 68796011
Client Reference egerbes001

Search Copy Dated 22/04/22 11:11 am, Page 1 of 2
Register Only

Identifier **HBE2/1284**



Transaction ID 68796011
Client Reference egerbes001

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RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
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R.W. Muir
Registrar-General
of Land

Identifier HBM2/389
Land Registration District Hawkes Bay
Date Issued 18 October 1988

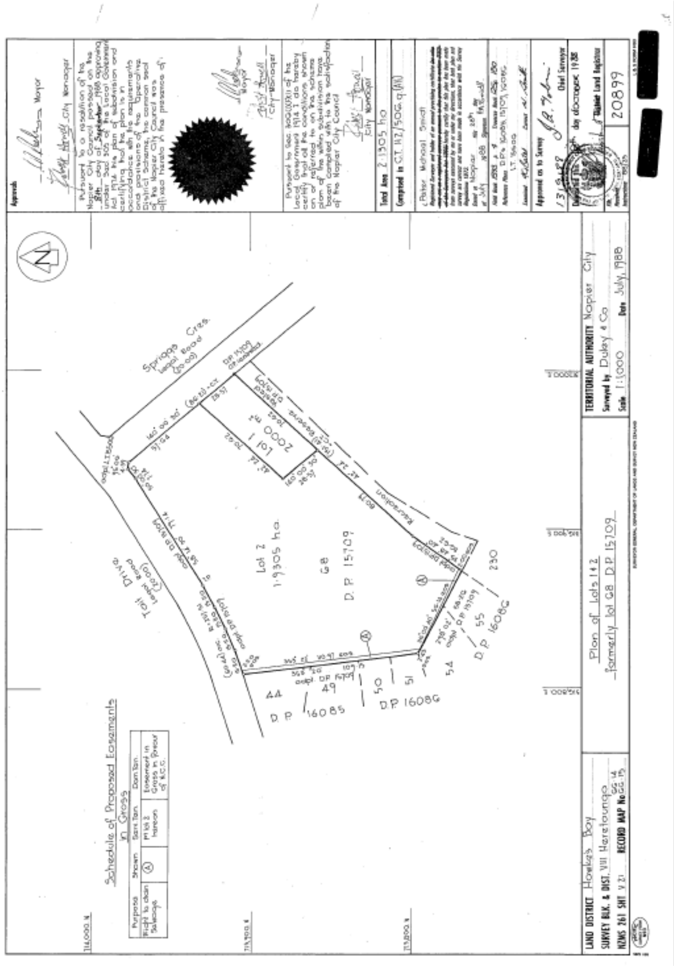
Prior References
HBH2/506

Estate	Fee Simple
Area	1.9305 hectares more or less
Legal Description	Lot 2 Deposited Plan 20899
Registered Owners	
Napier City Council	

Interests

Subject to a right (in gross) to convey electric power over part in favour of Hawkes Bay Power Distribution Limited created by Transfer 650865.1 - 24.12.1996 at 9.41 am

Identifier HBM2/389



RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD
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R.W. Muir
Registrar-General
of Land

Identifier	HB33/10
Land Registration District	Hawkes Bay
Date Issued	01 June 1914

Estate	Fee Simple
Area	2681 square metres more or less
Legal Description	Lot 39-40 Deposited Plan 2411

Registered Owners
Taradale Borough Council

Interests

Transaction ID 68796019
Client Reference egerbes001

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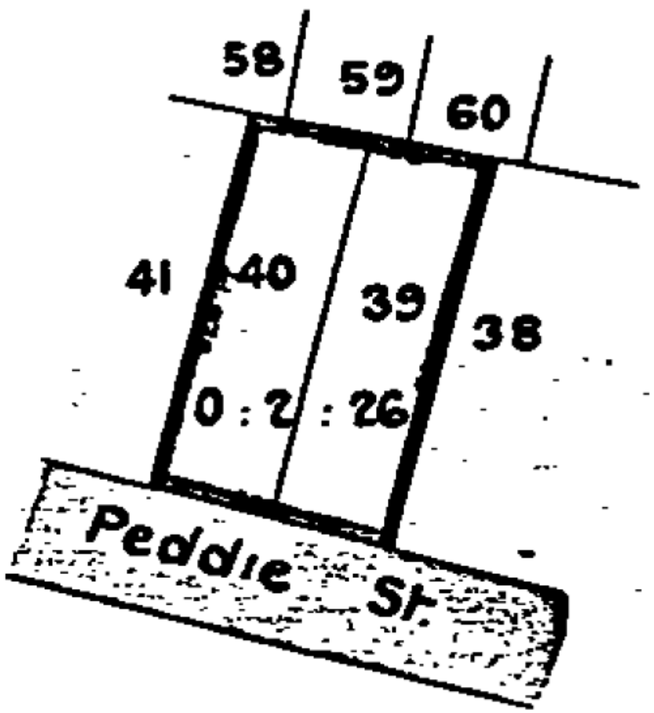
Register Only

Identifier HB33/10



Transaction ID 68796019
Client Reference egerbes001

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Register Only

RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
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R.W. Muir
Registrar-General
of Land

Identifier	**HB85/208**
Land Registration District	**Hawkes Bay**
Date Issued	25 November 1935

Estate	Fee Simple
Area	4047 square metres more or less
Legal Description	Lot 4-5 Deposited Plan 1676

Registered Owners
Taradale Borough Council

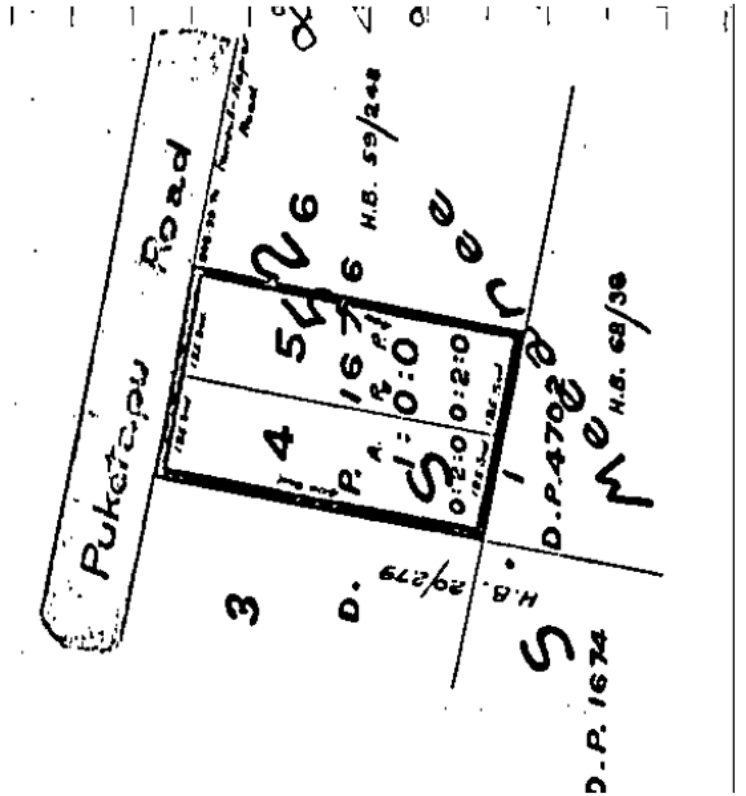
Interests

This is an interim certificate of title

This certificate has by effluxion of time become "conclusive" as defined by Section 2 of the Land Transfer (Hawke's Bay) Act, 1931, as to all matters except the description and delineation of the land

Transaction ID 68796033
Client Reference egerbes001
Search Copy Dated 22/04/22 11:12 am, Page 1 of 2
Register Only

Identifier **HB85/208**



Transaction ID 68796033
Client Reference egerbes001
Search Copy Dated 22/04/22 11:12 am, Page 2 of 2
Register Only

RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD
Search Copy

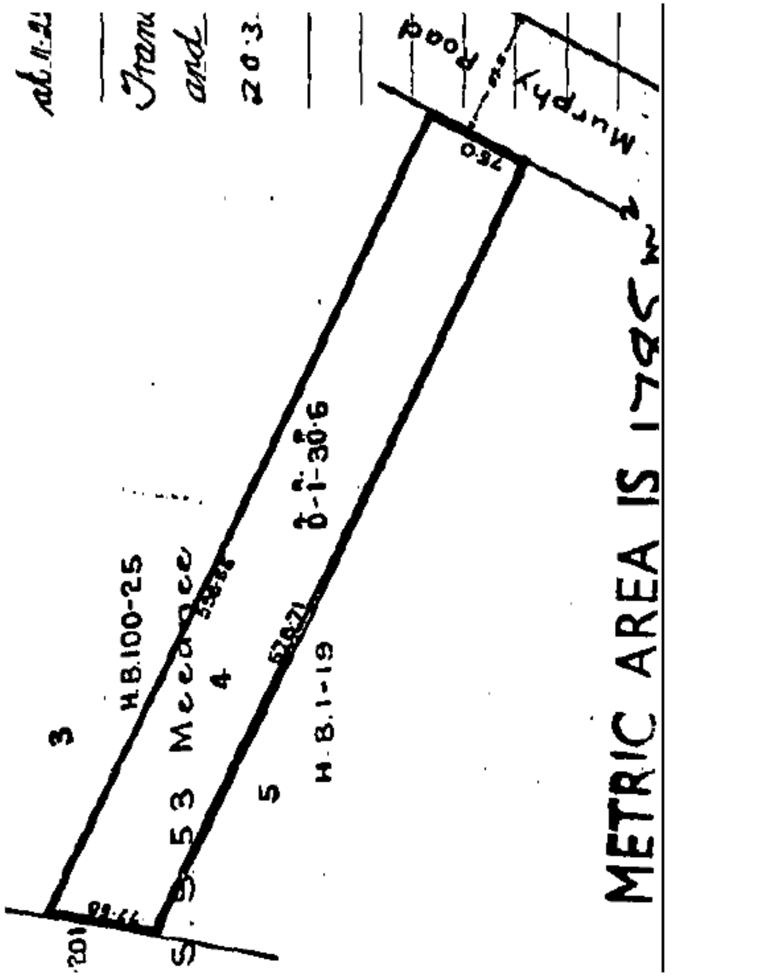
R.W. Muir
Registrar-General of Land

Identifier HB101/68
Land Registration District Hawkes Bay
Date Issued 14 July 1938

Estate	Fee Simple
Area	1786 square metres more or less
Legal Description	Lot 4 Deposited Plan 6392
Registered Owners	
Taradale Borough Council	

Interests

Identifier HB101/68



RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD
Search Copy

R.W. Muir
Registrar-General
of Land

Identifier HBC2/755
Land Registration District Hawkes Bay
Date Issued 27 November 1967

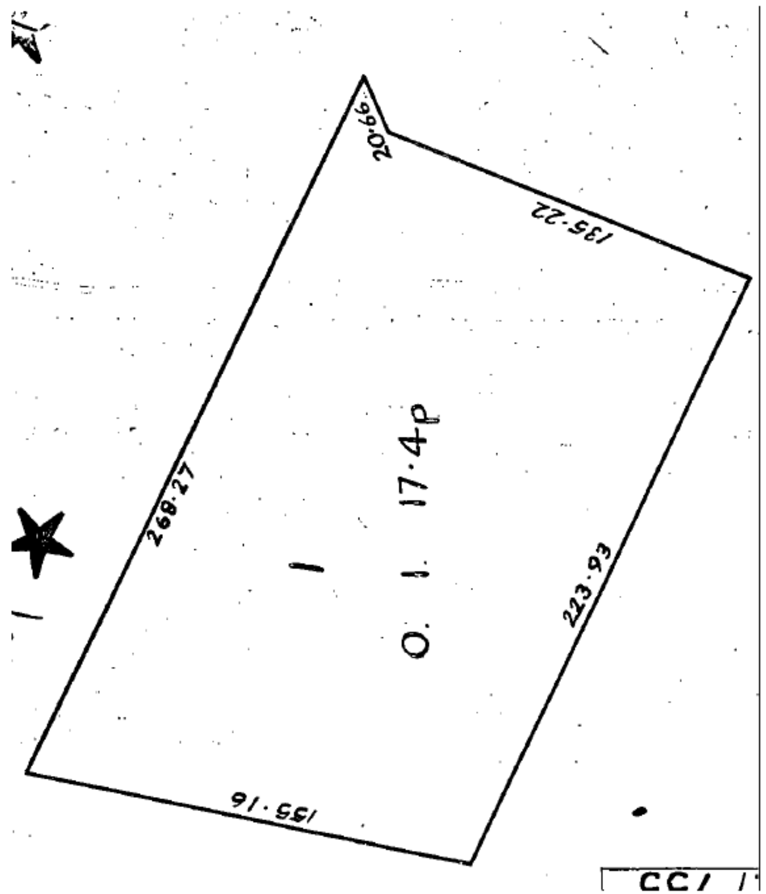
Prior References
HB168/63

Estate Fee Simple
Area 1452 square metres more or less
Legal Description Lot 1 Deposited Plan 11615
Registered Owners
Taradale Borough Council

Interests
Frontage derived through Certificate of Title HB170/122

Transaction ID 68796053
Client Reference egerbes001
Search Copy Dated 22/04/22 11:12 am, Page 1 of 2
Register Only

Identifier HBC2/755



Transaction ID 68796053
Client Reference egerbes001
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RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD
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R.W. Muir
Registrar-General
of Land

Identifier HBC3/267
Land Registration District Hawkes Bay
Date Issued 30 June 1969

Prior References
HB100/25 HB123/128

Estate	Fee Simple
Area	2896 square metres more or less
Legal Description	Lot 1 Deposited Plan 11749 and Part Lot 3 Deposited Plan 6392

Registered Owners
Napier City Council

Interests

Transaction ID 68796064
Client Reference egerbes001

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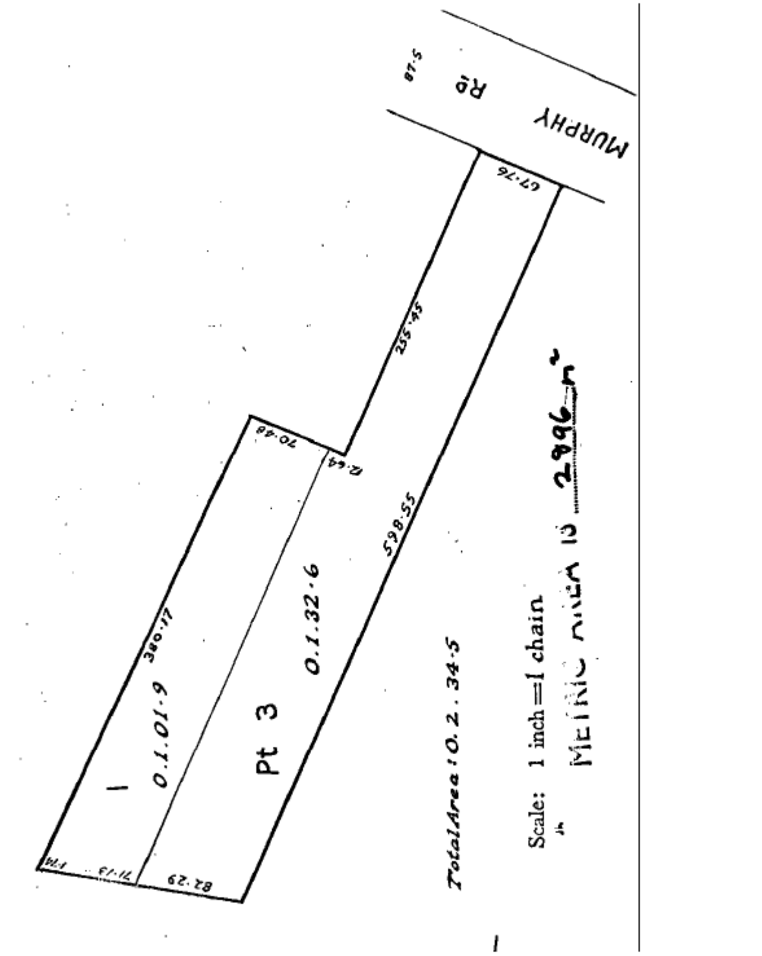
Identifier HBC3/267



Transaction ID 68796064
Client Reference egerbes001

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RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD
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R.W. Muir
Registrar-General
of Land

Identifier	**HBF4/174**
Land Registration District	**Hawkes Bay**
Date Issued	04 February 1975

Prior References
HB170/122

Estate	Fee Simple
Area	9015 square metres more or less
Legal Description	Part Lot 8 Deposited Plan 9773
Registered Owners	
Napier City Council	

Interests

Transaction ID 68796072
Client Reference egerbes001

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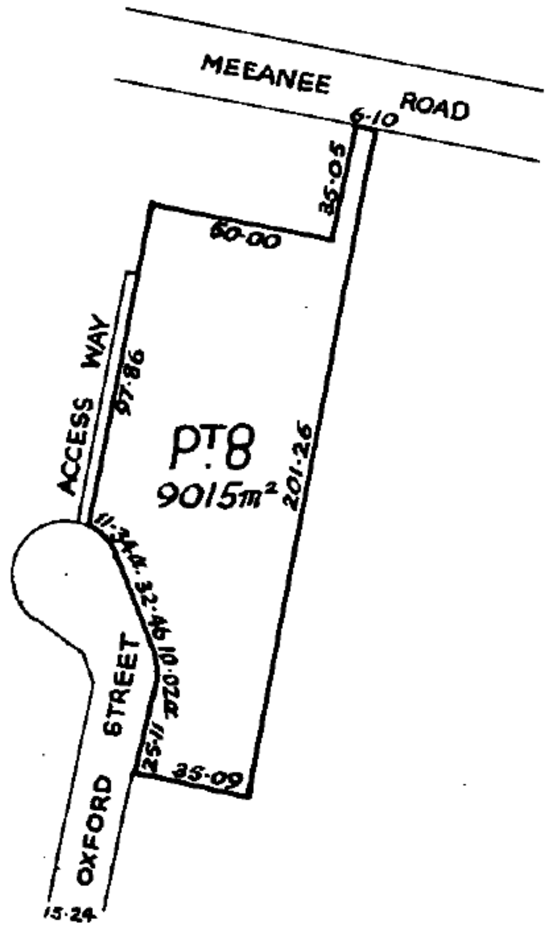
Identifier **HBF4/174**



Transaction ID 68796072
Client Reference egerbes001

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APPENDIX B SALES EVIDENCE

13.1 HAWKES BAY

10 Faraday Street, Hospital Hill

Sale date	23 August 2021
Sale price	Confidential
Building area	630 m² (recorded)
Land area	1391 m² (more or less)
Bedrooms	20
Bathrooms	6
Garage	6

Involving a complex of 8 x 2 bedroom and 4 x 1 bedroom, 1960's residential flats, situated on a 1,391m², front site on the Hospital Hill, Napier. Most units are in tidy, slightly dated condition. There is on site access with carports provided.

1010 Cobham Place, Raureka

Sale date	10 May 2021
Sale price	$430,000
Building area	100 m² (recorded)
Land area	393 m² (more or less)
Bedrooms	3
Bathrooms	1
Garage	0

Involving a 1960's two story 3 bedroom 1 bathroom unit with single carport. Situated on a 393m² site within Raureka, Hastings.

8 Barker Road, Marewa

Sale date	25 June 2021
Sale price	$515,000
Building area	140 m² (recorded)
Land area	860 m² (more or less)
Bedrooms	2
Bathrooms	2
Garage	1

Involving a dated and rundown 1940's 2 bedroom 1 bathroom dwelling with carport. Attached is a 1 bedroom 1 bathroom flat with external access. Situated on a 860m² site within Marewa, Napier. Indicates a net yield of 4.98% and gross yield of 6.06%.

705 Avenue Road West, Saint Leonards

Sale date	29 September 2021
Sale price	$750,000
Building area	130 m² (recorded)
Land area	666 m² (more or less)
Bedrooms	2
Bathrooms	2
Garage	3

Involving a tidy 1920's 1 bedroom 1 bathroom dwelling with a separate 1 bedroom 1 bathroom flat with single carport. Situated on a 666m² site within Saint Leonards, Hastings. Analyses to a gross yield of 5.58% and a net yield of 4.70%.

99 Shakespeare Road, Bluff Hill

Sale date	9 December 2021
Sale price	$760,000
Building area	160 m² (recorded)
Land area	892 m² (more or less)
Bedrooms	4
Bathrooms	2
Garage	0

Two, two bedroom apartments within a villa structure in a gully situation on Napier Hill. Net yield 5.95% or gross yield of 6.84%.

217 Nikau Street, Saint Leonards

Sale date	1 June 2019
Sale price	$820,000
Building area	230 m² (recorded)
Land area	1265 m² (more or less)
Bedrooms	8
Bathrooms	4
Garage	0

Four, two bedroom 1960s units in tidy condition. Indicated a net yield of 6.46% or gross yield of 7.80%.

11 Latham Street, Napier South

Sale date	8 April 2021
Sale price	$849,000
Building area	220 m² (recorded)
Land area	847 m² (more or less)
Bedrooms	6
Bathrooms	2
Garage	1

Involving a 3 bedroom character dwelling and a 3 bedroom 1970's flat with single garaging. Situated on an 847m² site within Napier South, Napier. Indicates a net yield of 5.63% and a gross yield of 6.43%.

42 Kennedy Road, Napier South

Sale date	25 February 2022
Sale price	$927,500
Building area	216 m² (recorded)
Land area	636 m² (more or less)
Bedrooms	5
Bathrooms	2
Garage	0

Involving a tidy circa 1929 3 bedroom 1 bathroom dwelling with adjoining studio with kitchenette and bathroom plus a self-contained two bedroom unit. Situated on a 636m² rear site within Napier South, Napier.

8 Hadfield Terrace, Bluff Hill

Sale date	23 December 2021
Sale price	$930,000
Building area	170 m² (recorded)
Land area	509 m² (more or less)
Bedrooms	4
Bathrooms	2
Garage	3

Two, two bedroom flats within an older residential structure. The flats are in good internal condition, have ample garaging and sea views. Net yield 4.65% or gross yield of 5.31%.

201A Prospect Road, Hastings

Sale date	8 March 2021
Sale price	$965,000
Building area	300 m² (recorded)
Land area	797 m² (more or less)
Bedrooms	4
Bathrooms	4
Garage	4

Involving 4 x 1 bedroom flats amongst a 1960's two storey building with carport to the front of the property. Situated on a 797m² site, Hastings. Indicates a net yield of 5.24% and a gross yield of 6.47%.

22A-B Milton Road, Bluff Hill

Sale date	8 June 2021
Sale price	$980,000
Building area	215 m² (recorded)
Land area	594 m² (more or less)
Bedrooms	4
Bathrooms	2
Garage	3

Two townhouses each providing two bedrooms, one bathroom on a 594m² site on Milton Road, Bluff Hill. Indicates a net yield of 4.67% and a gross yield of 5.31%.

224 Whirinaki Road, Eskdale

Sale date	29 September 2021
Sale price	$1,000,000
Building area	300 m² (recorded)
Land area	817 m² (more or less)
Bedrooms	4
Bathrooms	2
Garage	2

A two level 1970s dwelling, in original condition, with four bedrooms, two bathrooms, and two integrated single garages, situated across the road from the beach with very good sea views, in Eskdale.

1009 Manuka Street, Mahora

Sale date	3 December 2020
Sale price	$1,063,000
Building area	390 m² (recorded)
Land area	1702 m² (more or less)
Bedrooms	12
Bathrooms	4
Garage	4

Comprising a four flat residential investment property. Each flat consisting of 3 bedrooms, 1 bathroom and single carport. Situated on a 1,702m² site within the residential locality of Mahora, Hastings. Indicates a net yield of 4.53% and a gross yield of 5.67%.

205A Omahu Road, Frimley

Sale date	7 July 2019
Sale price	$1,156,000
Building area	340 m² (recorded)
Land area	1477 m² (more or less)
Bedrooms	12
Bathrooms	6
Garage	6

Comprising a tidy 1970's investment property providing 6, 2 bedroom flats, situated on a front site in the Hastings suburb of Frimley. Indicated net yield of 7.47% and gross yield of 8.64%.

406 Market Street South, Hastings

Sale date	27 October 2020
Sale price	$1,227,250
Building area	290 m² (recorded)
Land area	1449 m² (more or less)
Bedrooms	8
Bathrooms	4
Garage	0

Comprising a 4 unit residential investment property. Each flat consisting of 2 bedrooms, 1 bathroom and is situated on a 1449m². Indicated net yield of 5.77% or gross yield of 6.77%.

104 Harold Holt Avenue, Pirimai

Sale date	28 May 2021
Sale price	$1,230,000
Building area	240 m² (recorded)
Land area	852 m² (more or less)
Bedrooms	6
Bathrooms	3
Garage	3

Three 2 bedroom units, partly modernized, on a 852m² site in Pirimai, Napier. Each with single garage.

Indicates a net yield of 4.62% and a gross yield of 5.28%.

207 Windsor Avenue, Parkvale

Sale date	4 February 2021
Sale price	$1,325,000
Building area	270 m² (recorded)
Land area	1341 m² (more or less)
Bedrooms	6
Bathrooms	3
Garage	3

Involving a residential investment property of 3 x 2 bedroom, 1 bathroom 1960's units situated on a 1,341m² site within the residential locality of Parkvale, Hastings. Indicates a net yield of 5.07% and a gross yield of 5.70%.

409-419 Lowe Street, Camberley

Sale date	1 November 2021
Sale price	$1,500,000
Building area	630 m² (recorded)
Land area	2034 m² (more or less)
Bedrooms	6
Bathrooms	6
Garage	6

Involving 6 x 2 1960's bedroom 1 bathroom units each with a single garage. Situated on a 2,034m² site within Camberley, Hastings.

7 Saint Hill Lane, Havelock North

Sale date	13 July 2021
Sale price	$1,675,000
Building area	330 m² (recorded)
Land area	1642 m² (more or less)
Bedrooms	5
Bathrooms	3
Garage	2

Involving a tidy 1970's two story 5 bedroom 3 bathroom dwelling with single integral garaging. Also includes a separate tidy 1 bedroom dwelling. Situated on a 1,642m² site within Havelock North. Indicates a net yield of 2.98% or gross yield of 3.57%.

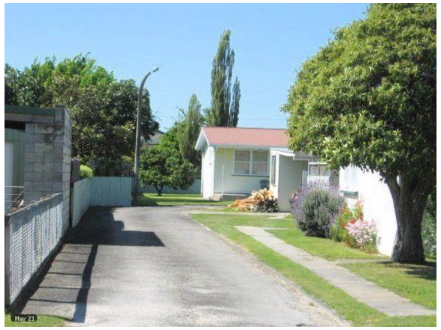
13.2 OTHER AREAS

449 Childers Road, Te Hapara

Sale date	8 September 2021
Sale price	$690,000
Building area	150 m² (recorded)
Land area	655 m² (more or less)
Bedrooms	6
Bathrooms	3
Garage	3

Involving three average 1970's 2 bedroom 1 bathroom attached units each with a carport. Situated on a 655m² site within Te Hapara, Gisborne. Indicated net yield of 6.05% or gross yield of 9.04%

3/16 Asquith Street, Te Hapara



Sale date	27 May 2021
Sale price	$900,000
Building area	260 m² (recorded)
Land area	1265 m² (more or less)
Bedrooms	6
Bathrooms	3
Garage	3

Involving an average 3 x 2 bedroom 1970's residential investment property situated on a rear 1,265m² site within Te Hapara, Gisborne. Analyses to a gross yield of 6.85% and a net yield of 4.38%.

31 Kauri Street, Dargaville

Sale date	18 October 2021
Sale price	$1,215,000
Building area	322 m² (measured)
Land area	2625 m² (more or less)
Bedrooms	9
Bathrooms	5
Garage	5

The property comprises a single storey block of five purpose built rental flats comprising four, two bedroom units and one, one bedroom unit. The complex is in good condition overall and there has been some refurbishment. The complex is situated on a large rear site. The current return is $66,000 pa equating to 5.4% gross and a net return of 3.8%. It was advertised as being under rented and having a potential income of $85,000, market gross yield being 6.9% and net yield of 5.2%.

236 Stuart Street, Dunedin Central

Sale date	5 July 2021
Sale price	$1,322,000
Building area	320 m² (recorded)
Land area	289 m² (more or less)
Bedrooms	10
Bathrooms	3
Garage	1

Built about 1920-29, this is a 10 bedroom, three bathroom, brick residential rental investment property, situated on a front site. Features include three flats, being a five-bedroom, a three-bedroom, and a two-bedroom flat. Let for 2021 for $1,665/week or $86,580 per annum, which equates to a gross capitalisation rate based on sale price of 6.55%.

660 Gladstone Road, Te Hapara

Sale date	7 May 2021
Sale price	$1,370,000
Building area	300 m² (recorded)
Land area	1291 m² (more or less)
Bedrooms	10
Bathrooms	5
Garage	0

Involving five 1960's purpose built 2 bedroom 1 bathroom flats. Situated on a 1,291m² site within Te Hapara, Gisborne. Indicates a net yield of 4.30% and a gross yield of 6.64%.

105-111 Bedford Street, Cannons Creek

Sale date	5 August 2021
Sale price	$1,502,500
Building area	470 m² (recorded)
Land area	1369 m² (more or less)
Bedrooms	12
Bathrooms	4
Garage	0

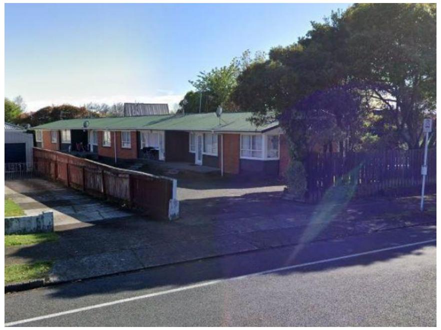
A 1960's rental investment block comprising four, two-level, three bedrooms flats on an easy contoured site, each with off street parking. At market rents the sale analyses to a net yield of 4.6% or gross yield of 7.26%.

9 Ruihi Street, Victoria

Sale date	16 August 2021
Sale price	$1,530,000
Building area	350 m² (recorded)
Land area	1012 m² (more or less)
Bedrooms	12
Bathrooms	7
Garage	3

This property comprises of two blocks with seven units in total. Five of the units incorporate two bedrooms, one bathroom, an open plan living and kitchen area and two units include one bedroom, one bathroom and an open plan living and kitchen area. The units are situated on a 1,012 square metre site in the suburb of Victoria. Based on estimated market rents the sale price analyses to a gross yield of 6.8% and a net yield of 4.6%. On a sales price per unit basis, this equates to $218,572 per unit.

133 Malfroy Road, Utuhina



Sale date	21 July 2021
Sale price	$1,600,000
Building area	320 m² (recorded)
Land area	1166 m² (more or less)
Bedrooms	9
Bathrooms	5
Garage	0

A block of five attached brick residential units of 1960's construction maintained in tidy but mostly original condition. There are four two bedroom units and one bedsit unit having a rental income at the date of sale of $1745 per week. Each unit has an individual cross lease title although it seems all five units were sold in one transaction. Based on our analysis of market rent, the sale price reflects a gross return of 5.8%, a net return of 3.8% and a price per unit of $320,000.

45 Prince Albert Road, Saint Kilda

Sale date	1 December 2021
Sale price	$1,648,888
Building area	390 m² (recorded)
Land area	695 m² (more or less)
Bedrooms	10
Bathrooms	6
Garage	6

Built about 1980-89, this is a 10 bedroom, six bathroom brick and roughcast residential rental investment property with off street parking. Features include four two-bedroom units and two x one-bedroom units all on separate titles. Let for $2,000 per week, which equates to a gross capitalisation rate based on sale price of 6.30%.

50-56 Leicester Street, Cannons Creek

Sale date	16 June 2021
Sale price	$1,657,890
Building area	390 m² (recorded)
Land area	1941 m² (more or less)
Bedrooms	12
Bathrooms	4
Garage	0

A residential investment property incorporating 4 x three bedroom units over two levels, with three of the units have drive on access. The units are situated at the front of the site with the rear being potential subdividable. The dwelling is clad in asbestos to the lower level, weatherboard to the upper level, all in a fair condition, and it has an asbestos roof. On the basis that these have market rents of $470 each per week, a gross return of $97,760 is obtained, indicating a gross yield of 5.9% and a net yield of 4.2%.

10A-10F Weymouth Street, New Plymouth

Sale date	22 June 2021
Sale price	$1,700,000
Building area	594 m² (recorded)
Land area	627 m² (more or less)
Bedrooms	12
Bathrooms	6
Garage	0

Built about 1930, this property is known as the Reo Moana apartments, a 2 storey block of six 2 bedroom rental apartments with separate cross lease titles. Condition is tidy but amenities are very dated. Coastal and City Centre location. Passing yield is 6.42% and sale equates $283,000 per apartment.

7 Harris Street, New Plymouth

Sale date	15 June 2021
Sale price	$1,900,000
Building area	345 m² (recorded)
Land area	2482 m² (more or less)
Bedrooms	16
Bathrooms	5
Garage	3

Located upon two separate land titles, fronting onto Harris Street and Downe Street respectively, this combined property incorporates two blocks of residential rental flats totalling eight units, in addition to six basement garages which are separately tenanted. The units are of average type and are of 2 bedroom nature. Location is fringe central city. Sale price equates $237,500 per unit, and a gross yield of 6.87%.

516 Great King Street, Dunedin Central

Sale date	8 December 2021
Sale price	$1,980,000
Building area	382 m² (recorded)
Land area	618 m² (more or less)
Bedrooms	14
Bathrooms	5
Garage	0

This is a 14 bedroom, five bathroom, residential rental investment property, situated on a front site. The property comprises three separate flats over two buildings, being a four bedroom and five bedroom flat situated in the older dwelling at the front of the site, and a five bedroom stand-alone modern flat to the rear of the site. The properties are let for $2,175/week or $113,100 per annum for 2022, which equates to a gross capitalisation rate based on sale price of 5.71%.

147 Forth Street, North Dunedin

Sale date	30 June 2021
Sale price	$2,045,000
Building area	301 m² (recorded)
Land area	506 m² (more or less)
Bedrooms	11
Bathrooms	4
Garage	0

Built about 2010-19, this is an 11 bedroom, four bathroom, timber two-level residential rental investment property with two carparks for each unit, situated on a front site. Features include two flats, the front flat has five bedrooms and two bathrooms, while the rear flat offers six bedrooms and two bathrooms. Let for 2021 for $2,030/week or $105,560 per annum, which equates to a gross capitalisation rate based on sale price of 5.16%.

664 Gladstone Road, Te Hapara

Sale date	24 June 2021
Sale price	$2,090,000
Building area	510 m² (recorded)
Land area	3274 m² (more or less)
Bedrooms	15
Bathrooms	7
Garage	0

Involving 4 two bedroom units, 2 one bedroom units (each with carport) and a four bedroom dwelling. Situated on a 3,274m² site within Te Hapara, Gisborne. Indicates a gross yield of 6.84%.

14 Stoneyhurst Street, Saint Albans

Sale date	30 July 2021
Sale price	$2,640,000
Building area	480 m² (recorded)
Land area	1077 m² (more or less)
Bedrooms	16
Bathrooms	6
Garage	8

A 1970s block of eight, two bedroom flats on a Residential Medium Density zoned site. Tidy but modest accommodation with dated aspects. All meet Healthy Homes Standards. Sold with a gross yield of 5.73%.

38-42 Raumati Road, Raumati Beach

Sale date	4 November 2021
Sale price	$3,400,000
Building area	530 m² (recorded)
Land area	2489 m² (more or less)
Bedrooms	19
Bathrooms	11
Garage	10

This sale price is stated as GST Inclusive. A level regular shaped parcel of land on the corner of Raumati Road and Hillcrest Road, within walking distance of Kapiti College, Raumati Beach Primary School, two early childhood centres, the local shops and the beach. A number of dwellings occupy the site providing a holding income from ten residential units. The land is predominantly outside of a flood zone and is within the Medium Density Housing Precinct allowing a minimum development area of 200m², but an average development area of 250m² per unit, maximum building height of 10 metres, a maximum building coverage of 50%, minimum outdoor living space of 30m² and an average of 1.5 parking spaces per unit. It includes six individual buildings containing 10 separate units of accommodation totalling 18-19 bedrooms and 11 bathrooms together with 10 off street carparks. As an investment property, based on our estimate of market rents, we analyse this sale to a net yield of 5.0%. As a development site, after adding for demolition costs, we analyse this as a vacant land sale at $1,400psm including GST, or $1,222psm + GST

APPENDIX C INDIVIDUAL DETAILED ANALYSIS OF VALUES

VALUATION

WELLESLEY ROAD

Income Approach				
Description	**Number**	**Weekly Rent**	**Per Annum Income**	
Flats 2 Bedroom with Carports	25	$450		$585,000
Flats 2 Bedroom with Carports	1	$470		$24,440
Flats 1 Bedroom	2	$400		$41,600
Gross Rental	**28**			**$651,040**
Net Market Rent				
Capitilised Market Rent	7.00%		$ 9,300,000	
	7.25%		$ 8,980,000	
	7.50%		$ 8,680,000	
	7.75%		$ 8,400,000	
	8.00%		$ 8,140,000	
	8.25%		$ 7,890,000	
	8.50%		$ 7,660,000	
	8.75%		$ 7,440,000	
	9.00%		$ 7,235,000	

				Per unit
Indicated Value Income Approach		**Adopt**	**$8,140,000**	**$ 290,000**
		Indicated Gross Yield	**8.00%**	

Market Approach		
No of Units	**Rate per Unit**	**Indicated Value**
28	$280,000	$7,840,000
28	$285,000	$7,980,000
28	$295,000	$8,260,000
28	$305,000	$8,540,000
Indicated Value Market Approach		**$7,980,000**

Surplus Land		
Applied Rate		**$350**
Area (m²)		**875**
Indicated Value		**$305,000**
OVERALL VALUE APPLIED	**$8,445,000**	

VALUATION
COVENTRY STREET

Income Approach					
Description	**Number**	**Weekly Rent**	**Per Annum Income**		
Flats 1 Bedroom	31	$400		$644,800	
Gross Rental	**31**			**$644,800**	
Net Market Rent					
Capitilised Market Rent	7.00%		$ 9,210,000		
	7.25%		$ 8,895,000		
	7.50%		$ 8,595,000		
	7.75%		$ 8,320,000		
	8.00%		$ 8,060,000		
	8.25%		$ 7,815,000		
	8.50%		$ 7,585,000		
	8.75%		$ 7,370,000		
	9.00%		$ 7,165,000		
					Per unit
Indicated Value Income Approach		**Adopt**		**$8,060,000**	**$ 260,000**
		Indicated Gross Yield		**8.00%**	

Market Approach		
No of Units	**Rate per Unit**	**Indicated Value**
31	$250,000	$7,750,000
31	$255,000	$7,905,000
31	$265,000	$8,215,000
31	$275,000	$8,525,000
Indicated Value Market Approach		**$7,905,000**
Surplus Land		
Applied Rate		**$500**
Area (m²)		**350**
Indicated Value		**$175,000**
OVERALL VALUE APPLIED	**$8,235,000**	

VALUATION
HASTINGS STREET

Income Approach				
Description	**Number**	**Weekly Rent**	**Per Annum Income**	
Flats 1 Bedroom	4	$415		$86,320
Gross Rental	**4**			**$86,320**
Net Market Rent				
Capitilised Market Rent	6.00%		$ 1,440,000	
	6.25%		$ 1,380,000	
	6.50%		$ 1,330,000	
	6.75%		$ 1,280,000	
	7.00%		$ 1,235,000	
	7.25%		$ 1,190,000	
	7.50%		$ 1,150,000	
	7.75%		$ 1,115,000	
	8.00%		$ 1,080,000	

				Per unit
Indicated Value Income Approach		**Adopt**	**$1,235,000**	**$ 310,000**
		Indicated Gross Yield	**6.99%**	

Market Approach		
No of Units	**Rate per Unit**	**Indicated Value**
4	$300,000	$1,200,000
4	$305,000	$1,220,000
4	$315,000	$1,260,000
4	$325,000	$1,300,000
Indicated Value Market Approach		**$1,220,000**
Surplus Land		
Applied Rate		**$500**
Area (m²)		**750**
Indicated Value		**$375,000**
OVERALL VALUE APPLIED	**$1,610,000**	

VALUATION

TAIT DRIVE

Income Approach				
Description	**Number**	**Weekly Rent**	**Per Annum Income**	
Flats 1 Bedroom	50	$400		$1,040,000
Flats 3 Bedroom	1	$535		$27,820
Community Hall	1			$42,000
Gross Rental	**52**			**$1,109,820**
Net Market Rent				
Capitilised Market Rent	7.75%		$ 14,320,000	
	8.00%		$ 13,875,000	
	8.25%		$ 13,450,000	
	8.50%		$ 13,055,000	
	8.75%		$ 12,685,000	
	9.00%		$ 12,330,000	
	9.25%		$ 12,000,000	
	9.50%		$ 11,680,000	
	9.75%		$ 11,385,000	

				Per unit
Indicated Value Income Approach	**Adopt**	**$12,685,000**		**$ 245,000**
	Indicated Gross Yield	**8.75%**		

Market Approach		
No of Units	**Rate per Unit**	**Indicated Value**
52	$235,000	$12,220,000
52	$240,000	$12,480,000
52	$250,000	$13,000,000
52	$260,000	$13,520,000
Indicated Value Market Approach		**$12,480,000**
Surplus Land		
Applied Rate		**$175**
Area (m²)		**9,300**
Indicated Value		**$1,630,000**
OVERALL VALUE APPLIED	**$14,315,000**	

VALUATION

HENRY CHARLES CRESCENT

Income Approach				
Description	Number	Weekly Rent	Per Annum Income	
Flats 1 Bedroom with carport	53	$410		$1,129,960
Flats 1 Bedroom	27	$395		$554,580
Community Hall	1			$36,000
Gross Rental	**81**			**$1,720,540**
Net Market Rent				
Capitilised Market Rent	8.25%		$ 20,855,000	
	8.50%		$ 20,240,000	
	8.75%		$ 19,665,000	
	9.00%		$ 19,115,000	
	9.25%		$ 18,600,000	
	9.50%		$ 18,110,000	
	9.75%		$ 17,645,000	
	10.00%		$ 17,205,000	
	10.25%		$ 16,785,000	

				Per unit
Indicated Value Income Approach	**Adopt**		**$18,600,000**	**$ 230,000**
	Indicated Gross Yield		**9.25%**	

Market Approach		
No of Units	Rate per Unit	Indicated Value
81	$225,000	$18,225,000
81	$230,000	$18,630,000
81	$240,000	$19,440,000
81	$250,000	$20,250,000
Indicated Value Market Approach		**$18,630,000**
OVERALL VALUE APPLIED	**$18,600,000**	

VALUATION
LANCASTER STREET

Income Approach				
Description	Number	Weekly Rent	Per Annum Income	
Flats 1 Bedroom	50	$415		$1,079,000
Flats 2 Bedroom	1	$450		$23,400
Community Hall	1			$25,000
Gross Rental	**52**			**$1,127,400**
Net Market Rent				
Capitilised Market Rent	7.75%		$ 14,545,000	
	8.00%		$ 14,095,000	
	8.25%		$ 13,665,000	
	8.50%		$ 13,265,000	
	8.75%		$ 12,885,000	
	9.00%		$ 12,525,000	
	9.25%		$ 12,190,000	
	9.50%		$ 11,865,000	
	9.75%		$ 11,565,000	

				Per unit
Indicated Value Income Approach		**Adopt**	**$12,885,000**	**$ 250,000**
		Indicated Gross Yield	**8.75%**	

Market Approach		
No of Units	Rate per Unit	Indicated Value
52	$245,000	$12,740,000
52	$250,000	$13,000,000
52	$260,000	$13,520,000
52	$270,000	$14,040,000
Indicated Value Market Approach		**$13,000,000**
OVERALL VALUE APPLIED	**$12,885,000**	

VALUATION
PEDDIE STREET

Income Approach				
Description	Number	Weekly Rent	Per Annum Income	
Flats 1 Bedroom	12	$425		$265,200
Gross Rental	**12**			**$265,200**
Net Market Rent				
Capitilised Market Rent	6.25%		$ 4,245,000	
	6.50%		$ 4,080,000	
	6.75%		$ 3,930,000	
	7.00%		$ 3,790,000	
	7.25%		$ 3,660,000	
	7.50%		$ 3,535,000	
	7.75%		$ 3,420,000	
	8.00%		$ 3,315,000	
	8.25%		$ 3,215,000	

				Per unit
Indicated Value Income Approach	**Adopt**	**$3,660,000**		**$ 305,000**
	Indicated Gross Yield	**7.25%**		

Market Approach		
No of Units	Rate per Unit	Indicated Value
12	$295,000	$3,540,000
12	$300,000	$3,600,000
12	$310,000	$3,720,000
12	$320,000	$3,840,000
Indicated Value Market Approach		**$3,600,000**
OVERALL VALUE APPLIED	**$3,660,000**	

VALUATION

NELSON CRESCENT

Income Approach				
Description	**Number**	**Weekly Rent**	**Per Annum Income**	
Front flats	2	$470		$48,880
Flats 2 Bedroom	10	$450		$234,000
Gross Rental	**12**			**$282,880**
Net Market Rent				
Capitilised Market Rent	6.25%		$ 4,525,000	
	6.50%		$ 4,350,000	
	6.75%		$ 4,190,000	
	7.00%		$ 4,040,000	
	7.25%		$ 3,900,000	
	7.50%		$ 3,770,000	
	7.75%		$ 3,650,000	
	8.00%		$ 3,535,000	
	8.25%		$ 3,430,000	

				Per unit
Indicated Value Income Approach	**Adopt**		**$3,900,000**	**$ 325,000**
	Indicated Gross Yield		**7.25%**	

Market Approach			
No of Units	**Rate per Unit**		**Indicated Value**
12	$315,000		$3,780,000
12	$320,000		$3,840,000
12	$330,000		$3,960,000
12	$340,000		$4,080,000
Indicated Value Market Approach			**$3,840,000**
OVERALL VALUE APPLIED		**$3,900,000**	

VALUATION
PUKETAPU ROAD

Income Approach				
Description	Number	Weekly Rent	Per Annum Income	
Flats 1 Bedroom	16	$425		$353,600
Gross Rental	**16**			**$353,600**
Net Market Rent				
Capitilised Market Rent	6.75%		$ 5,240,000	
	7.00%		$ 5,050,000	
	7.25%		$ 4,875,000	
	7.50%		$ 4,715,000	
	7.75%		$ 4,565,000	
	8.00%		$ 4,420,000	
	8.25%		$ 4,285,000	
	8.50%		$ 4,160,000	
	8.75%		$ 4,040,000	

				Per unit
Indicated Value Income Approach		**Adopt**	**$4,565,000**	**$ 285,000**
		Indicated Gross Yield	**7.75%**	

Market Approach		
No of Units	Rate per Unit	Indicated Value
16	$275,000	$4,400,000
16	$285,000	$4,560,000
16	$295,000	$4,720,000
16	$305,000	$4,880,000
Indicated Value Market Approach		**$4,560,000**
OVERALL VALUE APPLIED	**$4,565,000**	

VALUATION
ORIEL PLACE

Income Approach					
Description	Number	Weekly Rent	Per Annum Income		
Flats 1 Bedroom with carport	9	$410		$191,880	
Flats 1 Bedroom	11	$400		$228,800	
Gross Rental	**20**			**$420,680**	
Net Market Rent					
Capitilised Market Rent	7.00%		$ 6,010,000		
	7.25%		$ 5,800,000		
	7.50%		$ 5,610,000		
	7.75%		$ 5,430,000		
	8.00%		$ 5,260,000		
	8.25%		$ 5,100,000		
	8.50%		$ 4,950,000		
	8.75%		$ 4,810,000		
	9.00%		$ 4,675,000		
					Per unit
Indicated Value Income Approach		**Adopt**		**$5,260,000**	**$ 265,000**
		Indicated Gross Yield		**8.00%**	

Market Approach			
No of Units	Rate per Unit	Indicated Value	
20	$255,000	$5,100,000	
20	$265,000	$5,300,000	
20	$275,000	$5,500,000	
20	$285,000	$5,700,000	
Indicated Value Market Approach		**$5,300,000**	
OVERALL VALUE APPLIED	**$5,260,000**		

VALUATION
OXFORD STREET

Income Approach				
Description	Number	Weekly Rent	Per Annum Income	
Flats 1 Bedroom	40	$415		$863,200
Gross Rental	**40**			**$863,200**
Net Market Rent				
Capitilised Market Rent	7.50%		$ 11,510,000	
	7.75%		$ 11,140,000	
	8.00%		$ 10,790,000	
	8.25%		$ 10,465,000	
	8.50%		$ 10,155,000	
	8.75%		$ 9,865,000	
	9.00%		$ 9,590,000	
	9.25%		$ 9,330,000	
	9.50%		$ 9,085,000	

				Per unit
Indicated Value Income Approach	**Adopt**		**$10,155,000**	**$ 255,000**
	Indicated Gross Yield		**8.50%**	

Market Approach		
No of Units	Rate per Unit	Indicated Value
40	$245,000	$9,800,000
40	$250,000	$10,000,000
40	$260,000	$10,400,000
40	$270,000	$10,800,000
Indicated Value Market Approach		**$10,000,000**
OVERALL VALUE APPLIED	**$10,155,000**	

VALUATION
CARLYLE STREET

Income Approach					
Description	**Number**	**Weekly Rent**	**Per Annum Income**		
Flats 1 Bedroom	8	$415		$172,640	
Flats 2 Bedroom	19	$450		$444,600	
Flats 3 Bedroom	5	$535		$139,100	
Gross Rental	**32**			**$756,340**	
Net Market Rent					
Capitilised Market Rent	7.00%		$ 10,805,000		
	7.25%		$ 10,430,000		
	7.50%		$ 10,085,000		
	7.75%		$ 9,760,000		
	8.00%		$ 9,455,000		
	8.25%		$ 9,170,000		
	8.50%		$ 8,900,000		
	8.75%		$ 8,645,000		
	9.00%		$ 8,405,000		
					Per unit
Indicated Value Income Approach		**Adopt**		**$9,455,000**	**$ 300,000**
		Indicated Gross Yield		**8.00%**	

Market Approach		
No of Units	**Rate per Unit**	**Indicated Value**
32	$290,000	$9,280,000
32	$295,000	$9,440,000
32	$305,000	$9,760,000
32	$315,000	$10,080,000
Indicated Value Market Approach		**$9,440,000**
OVERALL VALUE APPLIED	**$9,455,000**	

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COUNCIL HOUSING PROVISION REVIEW

CONSULTATION SUMMARY

INTRODUCTION

The Council Housing Portfolio is identified as a Strategic Asset within Council's Significance and Engagement Policy. The changes proposed through two of the three options identified a potential change in the control and/or ownership of part or all of the asset. Given this, and the potential impacts of any of the three options presented for consultation, a Special Consultative Procedure was undertaken. Council did not select a preferred option in its proposal, noting that any impact on rates or ownership/control would require further consultation (with a preferred option identified) through the Annual Plan or Long Term Plan processes. The following options were released for community feedback:

- Keeps All
- Keeps Most
- Keeps None

CONSULTATION APPROACH

A Statement of Proposal (SOP) was developed in accordance with Section 83AA of the Local Government Act 2022 and formed the basis of the consultation. The SOP was made available on the website, along with other supporting documentation. The SOP, along with a summary brochure and submission form was made available at the Council's Customer Service Centre and the two libraries.

Current tenants were delivered a consultation pack including:

- Covering letter
- Summary brochure
- Submission form
- Statement of Proposal

Two tenant meetings were arranged, one during the day and one in the evening.

A direct email to stakeholders providing the link to the website information, with key stakeholders invited to meet with the Mayor and CE to discuss the matter.

For the wider community, the consultation was promoted through print media and social media. The matter was also included in the presentation made at the Annual Plan 2022/23 Consultation Community Hui, as this consultation process overlapped the housing consultation period.

CONSULTATION PROCESS

Consultation was open for four weeks from 16 March to 20 April 2022.

A range of engagement and promotional tools were created to support the consultation.

Engagement

Community Meetings

Two tenant meetings were held:

- 23 March 2021 - 10:30 – 11:30am (Greenmeadows East Community Hall)
- 29 March 2021 – 5:30 – 6.30pm (Arthur Richards Hall)

A powerpoint presentation was delivered followed by a Question and Answer session. Attendance was even at the two meetings with 34 attendees overall. Concern about tenancy, rent increases and how villages may change under new ownership was expressed at both meetings.

Meetings

Two key stakeholder groups responded to the invitation to meet with the Mayor and CE to discuss the proposal. Neither made a submission.

- Mana Ahuriri Trust (Deputy Chair) – raised the opportunity around support for personal development through wrap around services and a concern about developing in a Tsunami Zone (Hastings/Munroe).
- Kāinga Ora (KO) (Regional Director and Development Lead) – advised KO would be more than likely to engage in a Discounted Cashflow approach for any sale, and discussed opportunity to split into individual titles for potential home ownership opportunities.

Contact was made by Soho Group Ltd and a meeting was held with them to discuss a proposal to demolish and intensify along with management of the portfolio through a Community Housing Provider. The submission made by Soho Group Ltd, reflects the discussion at the meeting.

Promotion

The consultation was promoted through:

- Website
- Social media (FB – 21,303 total reach / Instagram –707 total reach)
- eDM – 7,000 Napier residents
- Print – 3 x press adverts in Napier Courier

The media ran five print articles, with coverage also on Radio New Zealand.

Submission Response

Overall, 286 unique submissions were received, including 88 from individual tenants and 14 submission made on behalf of a group or organisation. Several submissions included collective responses from one of the housing villages, bringing the number of tenants providing feedback to 103. Seventeen (17) submitters have arranged to speak at the hearing.

APPENDIX 1

High Level Consultation Plan - Council Housing Provision

Background

Napier City Council started providing community housing over 50 years ago when, like many councils around the country, we received government low cost loans to build housing units. Of the 377 units we now have, 80% are for retirees or people with a disability. Council housing is for people who need affordable homes and who are able to live independently. The 377 units are spread over 12 villages across the city.

Council supports tenants by providing subsidised rents based on income (set at a maximum of 30% of household income).

Our housing units are now up to 60 years old and are at 'end of life', costing more and more to maintain. Added to this are new costs for us to meet healthy homes standards.

In 2018, following a Section 17A review, the issue of ongoing sustainability was identified for the continued provision of housing and an in-depth review process followed. Since 2018, information on the review and its progress, the key issues and potential next steps has been provided to tenants through newsletters, fact sheets and meetings. In addition, the matter has been included in the last two Long Term Plan Consultation Documents, with updates included in Annual Plan Consultation Documents.

In April 2021, we consulted with the community on how we could cover the shortfall while we completed an in-depth review on the future of housing provision. In June 2021, supported by the community feedback, Council decided to temporarily fund the shortfall by using a loan until the review process was completed and a decision could be made on a longer term solution.

Tenants have been advised that this matter is on the Agenda of the Napier People and Places Committee on 3 February and subsequently the Council meeting on 10 March 2022.

Key issue

We can't continue to provide housing as we are now. We have a projected average annual shortfall of $2.2m which would reach $70m after 25 years. We are unable to continue to loan fund on an ongoing basis as loan repayments compound each year while deficits also increase, this would mean a significant increase rates year on year without addressing the underlying problem.

Significance and Engagement Policy

This matter requires a Special Consultative Procedure as part of the decision-making process because it involves the potential transfer of ownership (and control) of a Strategic Asset. In addition, the matter is deemed significant given that the potential decision could:

- have ongoing significant increases to rates which require changes to key financial policies and settings e.g. Revenue and Financing Policy and rates caps (retention of portfolio with loan funding the gap)
- be difficult to reverse or be irreversible (transfer of portfolio)
- change the levels of service (all options)
- impact on affected individuals - tenants (potentially all options)
- significantly impact on rating levels (retention of portfolio)
- financially impact Council's resources – e.g. balance sheet, proceeds of sale and income reduction (transfer of portfolio)

- have significant decision costs (all options will incur costs to implement)

This matter will have the highest impact on the 377 households who are current tenants across the 12 housing villages.

Council's decision around the future provision of its housing will be of high interest to key stakeholders including mana whenua, iwi and post settlement governance entities (PSGEs), Māori service providers, the Crown and its relevant agencies, potential purchasers and developers, Community Housing Providers (CHPs), community support service providers and other councils.

Approach

Consultation will take place from 16 March to 20 April 2022. This meets the four week requirement, accounting for two public holidays (Easter). A Statement of Proposal will be provided along with supporting documentation and will form the basis of consultation material.

As affected individuals, tenants will be consulted utilising a range of approaches in order for each tenant to be able to engage in the process. Tailored information will be provided to each tenant on how the options would directly impact them (e.g. rent amounts etc).

Direct engagement with key stakeholders will be undertaken alongside wider community engagement on the matter.

The consultation period overlaps the Annual Plan 2022/23 consultation. The Housing matter will be referenced in the Annual Plan 2022/23 Consultation Document.

The consultation process will be promoted utilising a range of channels including print, digital, media and tenant meetings.

Online submissions will be strongly encouraged, but hard copy submission forms will be available at a range of sites and provided to tenants.

Statement of Proposal- (SOP)

The SOP provides the three options identified for feedback. The submission form will seek a preferred option, with the opportunity to provide comment on all options, and to provide a general comment or to make other suggestions.

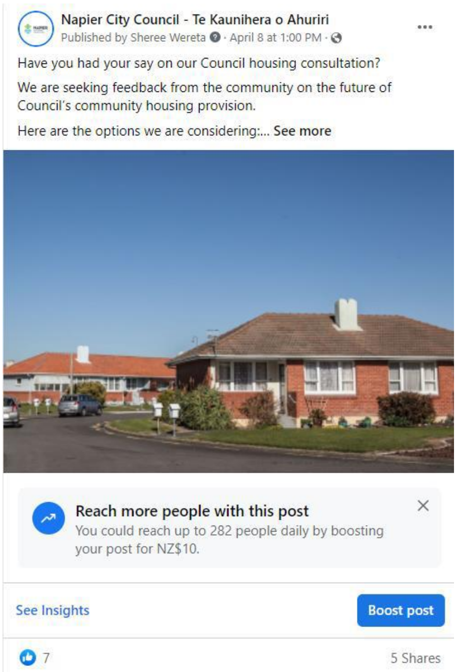
The options are as follows:

1.Status Quo	2.Part Retain / Part Sell	3.Transfer (Sell)

Communication & Engagement Tools

Tools	Target	Councillor Role
Communications and Marketing		
Statement of Proposal • Online • Hardcopy	Napier residents	Councillor approval
Summary Information - Website	All of community	
Digital (including social)	Range of demographics All of community	
Print Advertising	As above	
Direct emails	Key stakeholders Peoples Panel	
Media releases	Media	Mayor approval
Engagement Activities		
Targeted Meetings	Tenants only meeting Key stakeholders Mana whenua entities Māori sector / groups	Mayor Wise / Councillor Boag presentation and discussion Mayor and CE led
Community Meeting	Community wide	Mayor Wise / Councillor Boag presentation and discussion

Sample Facebook Post



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Section 101 Assessment:

Distribution of benefits 101 (3) (a) (ii): The primary beneficiaries of the Housing Activity are the tenants who are housed in secure housing whose rent is subsidised. The provision of housing by Council alleviates the responsibility of housing this cohort from central government, social agencies and whānau. The housing activity contributes to Council's community infrastructure with 10.7 hectares of land and associated buildings in community ownership. This asset base strengthens Council's balance sheet, enabling it to raise loans for other projects. The provision of housing supports a public good intention, with housing provided to vulnerable members of the community, building social capital. Secure and affordable housing is considered a driver of wellbeing. Secure housing provides a base from which to establish social supports and networks and to improve social and economic mobility. During the consultation process on the future provision of housing, the belief that Council has a duty and responsibility to protect and provide for tenants and vulnerable residents, was the most cited primary concern across submitters.
Time period of benefits 101 (3) (a) (iii): The public benefits are intergenerational, with tenant benefits being in place for the life of the tenancy.
Who has created a need 101 (3) (a) (iv): Around 50 years ago, central government responded to a need by providing councils low cost loans to encourage them to build community housing. In recent years, low housing supply across all price points, high market rents and public housing shortages have coalesced so that housing supply, particularly in the affordable ownership and rental market, cannot meet local demand. Individual's and whanau circumstances have led to low income and asset levels challenging their ability to afford private market rents, even with government support.
Cost distribution and funding 101 (3) (a) (ii) & 101 (3) (b): With the increased costs of the activity, the current funding model is inappropriate. The requirement to fully fund the activity through the 100% private funding mechanism (rents) and to provide affordable, subsidised housing is unachievable. Given the current subsidy is very high (30% of market rent), there is scope to increase the private contribution. However, the actual contribution must be weighed against the tenants' ability to pay, who are largely on fixed incomes. Public contribution levels should be considered in the context of public benefit alongside reasonable rates levels. Analysis of market rents parameters, tenants' income and available benefits, accommodation costs against income and activity funding requirements identify a reasonable contribution level of 75% for tenants. This equates to an average 47% increase (before Accommodation Supplement) for most tenants across both retention scenarios in retirement housing. Rates impacts have been identified on a 25% contribution basis with the increase either 2.4% ($64.80) per average household pa or 1.6% ($43.20) per average household pa, to keep all or some of the portfolio respectively.

Contact details	Answers		Open-ended comments	
Full name	Select a Choice	How should the shortfall be funded?	Please provide any further comments on the option you selected:	Feedback for options proposed
Megan Welsby	Transfer / sell		This option would seem to ensure the social housing is protected without burdening ratepayers with rates increases.	
Nick Robertson	Status quo	Combination		
Trevor Griffin	Transfer / sell		Housing Nz provides for people. It shouldn't be thd rate payers responsibility	
Louise Smith	Status quo	100% rates		Selling would 100% result in higher rents and therefore more homelessness.
Siji John	Transfer / sell			
Michele Brady	Status quo	Combination	Although these units are social housing the rents must cover the cost of the property just as a home owner must do the same.	I wonder if the short all has been due to years of not tagging the maintenance part of the rent provision. Hence rent cost must include a maintenance portion that is kept for these units in the future.
samantha Tomlinson	Status quo	Combination	It is important for the community to support the seniors that are in need of a safe warm place to live	If you do sell look to sell to first home buyers not a developer
Nikki Johnston	Status quo	Combination		
Stephen Franklin	Status quo	Combination		
Anne Arnoldsson	Transfer / sell		You have to remember putting up rates more will cripple first time buyers like myself that had to lend a crazy amount of money to be able to buying a house just recently.	
Christina Green	Status quo	100% rates	Local councils have an obligation to look after all the people in their jurisdictions. This includes: ensuring all residents are in safe and healthy homes; looking after the vulnerable, disabled, poor, elderly and those who, for whatever reason, struggle to look after themselves. Napier City Council has a moral obligation to continue to provide housing for those in need - whatever their reasons may be and it has an obligation to cover the costs that might be entailed to help those people. Rates are not just for tourist opportunities, recreational facilities or the over inflated salaries of the upper echelons of council staff they are more importantly for spending on people in our community who have very real and basic needs.	
Samantha Matene	Transfer / sell		Transfer would help the housing crisis we currently have and we need homes and this will also release the 2.2 mil short fall or major increases to rates and renters	
Ani Cairl	Status quo	100% rent	The rent would still be lower than market rates and I'm sure tenants could apply for government top ups. Just don't chuck them into the same pool of people desperate for rentals.	
Mel Matenga	Status quo	100% rent		
Rebecca Clark	Transfer / sell		Need to build apartment buildings and have them all in one area	
Kerry Barrett	Status quo	100% rent	This is not my choice. Things are not that black and while. See below.	These choices are unfair as they do not provide enough information. The villages form a large part of the Council property portfolio which will have seen some significant capital gains in recent years. I suspect the council only wants to flick them off so they can fund other projects. If they are to be sold, then what will the money be spent on? And will we still be hit with the usual rate increase?
James Mcpetrie	Status quo	100% rates	We have a social responsibility to care for the less privileged members of society. This is more in these days of unaffordable housing	
Chris Flannery	Status quo	100% rent		
Karen Vanderpols	Status quo	Combination	Raise rents to cover costs.	
Jennifer Butler	Transfer / sell		Social housing I believe should be under housing nz. Not private. This would hopefully ensure the housing remains focused on the elderly and they are supported. Housing nz They are best place and experience to manage the oversight, need and maintenance. The people currently need to be assured they remain tenants and housing nz keeps this housing for elderly who have a community around them. They need this for their well-being. I don't support it being privately sold.	

Adrianna Kokaua	Status quo	Combination		
John Conneely	Transfer / sell			The properties are currently rented under market value. NCC has an absolute moral and financial duty to seek a fair market rent for all properties. It is absolutely wrong for rate payers to subsidise NCC tenants.
Gaylene Ellison	Status quo	Combination		
anna van kempen	Transfer / sell		I don't think a council should be doing social housing.	
Lorraine Guillemot	Transfer / sell			
Laurence Guillemot	Transfer / sell			
Victoria Spellar	Transfer / sell			
Carol Evans	Status quo	Combination		
Toni Buhre	Status quo	100% rates		
Julian Garrod	Transfer / sell			
Dzjana Coleman	Status quo	Combination		
Rachel Dahl	Status quo	Combination	We should look after and protect our city's most vulnerable citizens. Especially in these most turbulent times of Covid, cost of living increases, inflation pressures, etc. I suggest Council needs to think and act more laterally (outside the square) to help fund the shortfall. Look at other alternatives, be innovative and bold. But protect your tenants, you must!!! As a ratepayer, I am willing to contribute to Council housing.	
Lyn Parsons	Transfer / sell		As per below	Sell to Kainga Ora Housing New Zealand, that way all residents can stay, housing will be brought up to code, and keeping the age/health bracket in consideration for current residents. That way they have there home's, NCC still receive rate's from rents paid
Jeanne Lewis	Status quo	Combination		
Pam Downing	Status quo	Combination	The occupants have nowhere else to live and those units have been well paid for over the years and maintenance should have been kept up to scratch not just left to crumble	
Sally McKenzie	Transfer / sell		We need future, sustainable eco friendly housing for our seniors that are low maintenance and with easy access. Would love to see a transfer to a CHP or Council trust so that Council still has a say in its running and keeps our most vulnerable members of society at the forefront of decision making. Equally this makes it much more friendly on ratepayers who have recently seen a significant rise in the cost of living.	A good three options to consider and unpack.
Kerry Marshall	Status quo	Combination	I think ratepayers via Council have a duty to look after its more vulnerable citizens and should be providing housing for those in need. However the cost to those people needs to be reasonable and not market driven. I have selected the status quo but would consider a part retain/part sell model if it could generate more housing at a reasonable cost to rate payers.	I appreciate the opportunity to provide feedback and would ask councilors to be mindful of their social obligations as well as the economic drivers of their duties.
Colin Frost	Transfer / sell		Given that most of the tenants are elderly and handicapped, an ideal sale would be to the IHC subsidiary Accessible Properties who have a very number of properties nationally and look after mostly handicapped clients although they do have clients who can look after themselves independently.	
Julie Mitchell	Status quo	Combination		
Debbie Melling	Transfer / sell			
Tracey Howell	Status quo	100% rates	We need to look after the Elderly and Disabled it's the community's responsibility to make it work and keep these people feeling wanted and looked after.	
Jacqui Broun	Status quo	Combination	The people that are in these complexes deserve to be looked after - if taken over privately I would hate to think their units were filled with homeless people some who appear not to appreciate how lucky they are to be given accommodation - that's my concern for privately owned also You won't be able to sell them anyway if they are not up to the building standards and requirements. So you will have to fix them up anyway.	Look after these people - they have their own little community and look out for each other
Prashant Dhingra	Transfer / sell			

Gabriel Silva	Status quo	Combination	I strongly believe that it is one of the Councils purpose to guarantee access to social services and rights to the population. I selected the option to keep all units because it is our way to help the poor and to fight a stocked housing market that became a hot spot for investors. I also believe that the way NCC is marketing this survey and disposing the options leads people to select sell partially or totally, as if the interest to sell the properties is already set. This $2.2m per year will not be a "shortfall", it will be an investment in the people of Napier, the ones who need it the most. After all, this is what we work for. HOUSING IS A HUMAN RIGHT, NOT A COMMODITY.	N/A
Andrew Hancock	Transfer / sell		I believe we should sell/give to a not for profit organisation who does this sort of thing who is better placed to get grants than the Concho, has the expertise etc. Conditions like if disbanded the house etc given back to the council, no ability to sell them, ability to demolish and replace etc.	The general population of Napier can't afford to keep subsidizing these types of activities when the same, if not better results can be achieved without council subsidies in another operational model.
John Eden	Status quo	Combination	So where has all the rent money gone,you had cheap interested loan and no improvements of great cost. Can you explain please.	No
Lyn Rangi	Status quo	100% rent		Keep them and the tenants thry not harming anyone..
Gay Owen	Status quo	Combination	Keep for the elderly.	If sold there is no guarantee that the elderly will be able to access the housing and the flats will no longer be quiet safe places.
Alison Bryant	Status quo	Combination	We need to keep the pensioner flats, as a community it's our responsibility to care for the elderly generation.	
Jan Roff	Status quo	Combination	By the elderly moving into these flats it frees up larger homes for families, they also have people to communicate with.	
David Gerbault	Status quo	Combination		
Michael Brader	Transfer / sell		Best of a bad lot. I would hope that some of the raised funds could be held in trust to attract providers of high density public housing with grants for quality of life improvements such as community gardens, bus shelters and bike paths.	Thanks for seeking our input.
Joyce Verhoeven'	Transfer / sell		Sale Must have the proviso that they are to remain housing for pensioners or disabled people in perpetuity.	
Mel Bath	Status quo	100% rent	Increase the rent a little which is affordable and use rates payer money if needed. I feel that selling them would be a huge mistake especially in the current climate of what's happening. We have to look after our community .we are in a housing crisis	
Richelle Karangaroa	Status quo	Combination	Would cause a high rise in homeless elderly should they be sold.	$200 pw is more than fair and affordable.
Susie Chapman	Transfer / sell		Thinking that the social housing is still designated for older people Some of the money received should be earmarked in the spirit of supporting the more vulnerable in our community Whether it be making things more accessible Supporting community projects by various NGOs Making a social investment	
Craig Moore	Part retain / part sell	Combination	Want to look after the elderly that need housing.	
christina emmerson	Status quo	100% rent	There are enough winz subsidies to assist with rent increases.	We are in a housing shortage and putting more into that shortage defeats the purpose of reducing the hosuing crisis. This is a need not want. Meaning you want a new flash park its not needed housing is needed.
Matthew McKee	Status quo	100% rent	I'd hate to see the housing end up as a private investment that's subsidized by council / taxpayer money	Should it be a partial or whole transfer, council must not use taxpayer money to fund private investment.
Gail Oldershaw	Status quo	100% rates	We strongly feel that Pensioner Housing should be funded by Rates and that Council needs to budget annually for their maintenance.This type of Housing is a Community Asset which needs to remain in the hands of Council and not be sold to private interest . Residents of these house do not deserve the stress of an uncertain future in terms of both Accommodation and Rental costs. Council should consider this housing in the same way as other infrastructure and given same priority as other essential infrastructure. Surely these Properties should be given priority over other nice to have projects.	No
Jennifer Rouse	Part retain / part sell	Combination	Rent increases should be kept at a minimum percentage of income reflecting that most residents in retirement villages live entirely on their pension.	
PETER CLARK	Transfer / sell		I feel another entity, one that specializes SOLELY in housing, would be better able to maintain the status quo, and benefit the residents.	

Josephine Hayes	Transfer / sell		Providing housing should not be part of the council's core business. Ratepayers should not have to subsidise other people's housing. Providing housing for the needy is the job of central government. However current tenants should not be penalised by the sale.	
Kevin McGrail	Transfer / sell		Council needs to stick to its core tasks, water, roads, parks etc. Social housing is the responsibility of central government and should be left to them and not be a burden on ratepayers.	
Paul Bailey	Status quo	Combination	Whilst I appreciate the predicament Council finds itself in whilst there is so much uncertainty around the future of Local Government it would be short sighted to sell. There is also the issue of getting the rules around Government funding amended in councils favor. Whilst these issues are being resolved I am happy to support a rate increase to assist those in a position less fortunate than my own.	
rodney stone	Transfer / sell		After spending 30 years in various management roles, it's obviously only one viable option that ticks all the boxes. Sell or lease all 377 units to a CHP like Kainga Ora, it protects all Tenants rights, retains affordable Rents, if sold NCC gets a cash injection into their coffers, does not impact on rate payers. NCC to retain the ownership of land the present units occupy (Becomes leasehold to new CHP owners) NCC saves salaries as a pensioner housing dept would no longer be required, all maintenance would be the new CHPs responsibility it's win win!	See above
Tracey Harvey	Status quo	Combination	It is very important that the Council retain this housing for the people who need them and have supported the Council for many years. In many cases, elderly have nowhere to go and these villages are a godsend to them.	No, thanks.
Val Chittenden	Status quo	Combination		
Nadine Mccleland	Transfer / sell			
Darren Evans	Status quo	100% rent		
Neville Wright	Part retain / part sel	Combination		
roy marsh	Part retain / part sel	Combination	70% rates 30% rentals	70% rates equals approx $1.50 per week per rate payer 30% renters equals approx $33.67 per week per rental
Graham Harvey	Status quo	Combination	The combined role of Local Government's and National Government is to to provide for all citizens through the "common good" – things like social housing, roads, schools, and police protection, Defence and so on. These are the sort of things that have a social objective and are mainly funded through Rates and taxation broadly speaking. One could suggest that, if a Local or National Government is profiting, then they are probably meeting their "common good" obligations. Government is not a business and neither business be involved in Government. Local and National Government should meet social responsibilities and answer to their citizens. Business answers to their owners/shareholders and are usually expected to make a profit which, in part, is returned to the owners/shareholders. There are many examples where business puts profit well ahead of social responsibilities (and sometimes matters of basic morality are also sacrificed. Council should manage their social housing stock, even increasing it with increasing demand. The asset should be managed, maintained, developed and improved as part of a social transaction with their ratepayers. Yes, sell stock, if necessary, in order to help provide new stock, but don't expect rent and rates revenue to cover the cost of your social responsibilities.	
Victoria Cullen	Transfer / sell		I think the council should sell all housing stock to ensure no increase in rates we all have to pay.	

Eve Lemm	Status quo	Combination	The Council has a moral and ethical obligation to care fore the less fortunate people in society. Many of the men and women living in the units are on invalids benefit's and also have mental health challenges. These units are a valued asset to the area and under common law the decent thing to do is look after these Tennant's. The majority are women who have been disadvantaged people. We must care for these people. Mostly women alone who have lived good lives. And I personally know a few in if them. The council must do the right thing by these people to protect their future security of having a roof over their head. In Jesus name I pray ? you do the right thing by then and stand against any devious our underhand measures to otherwise throw them out on the streets. Amen	I think council should provide more housing especially for refugees or young women alone with children. I had started gathering signatures with Dawn Beddingfiekd to support this
Chelsea Hartshorn	Transfer / sell		The rates are already too high, the government needs to step in, it should not be a council issue to carry anymore	
Penny Yates	Status quo	Combination	The council provides a essential service for low income workers were never able to own a home. The alternative is elder people living on the streets.	The Social housing sector is always in the news turning vulnerable people out of their home.
Larissa Aberhart	Transfer / sell			
Pirika Tom Hemopo	Part retain / part sell	100% rent	House owners still pay exorbitant rates now and I dont see why we should provide for them Raise the rent to $250.00 pw That amount should cover the short fall	increase the rent
Carol Cooper	Part retain / part sell	Combination		
Gail Neilson	Part retain / part sell	Combination	I believe you should keep retirement houses as that was what they were intended for. I think its a great idea to build more - definite need in the community. The community houses would best sold to house provider - makes sense as they create a lot more work than retirees.	
Margaret Gwynn	Transfer / sell		See below	I cannot support any option. The obvious solution is the government subsidy to Community Housing Providers which the government is refusing to supply. I can only suggest a city-wide petition to government pointing out that they supported the subsidy while in opposition. Let's hope we can embarrass them into agreeing to the subsidy.
John Seaman	Status quo	100% rates	The most important thing at the moment is to provide housing especially for those who are not so well off. The cost per ratepayer would be around $88 p.a. and for most of the ratepayers I observe (e.g. multi-property owners, big new houses and opulent ones) this is not a singularly large sum. Council needs to make housing a priority and budget likewise. Also the status quo should mean no extra costs for things like revised valuations or sub-division costs.	I do not trust the system that applies a caveat for the current tenants only and is not fully future proof. When the tenants go what usually happens is that anything goes. We have all seen how empty these promises have proven in the past regardless of the legal status
Nicki Lugt	Transfer / sell			It is very difficult to choose a submission without knowing the implications to the tenants of the Council housing however I selected Transfer/Sell due to the no increases. There are many questions eg. if sold, would the tenants be able to remain in their current homes? What happens to tenants who are unable to afford any rent increase? Will tenants be forced to move somewhere they do not want to live or the housing is inferior to their current housing? Will tenants be told to leave their homes? There are so many unanswered questions which makes it impossible to choose. Many of these tenants are elderly, fragile, have health issues and I am aware of the impact this review is having on some tenants health. They are unable to sleep, there is major stress and anxiety and there is absolutely nothing worse than to not know what the future holds. With the current housing crisis in NEW ZEALAND it does not make sense to me that the Council could potentially be asking residents to pay more or move. Some of these people have been there for 30 plus years and it would be unfathomable to consider anything else. I personally as a rate payer and daughter of a Council housing resident would prefer to pay a little more on my rates, however would certainly prioritise housing

Jeremy Healey	Status quo	100% rent	As mentioned in your material the rents would still be below market rent so these tenants would still be getting a good deal.	If any of them are being sold they should be sold publicly so private investors or small syndicates of investors have an opportunity to purchase and the rate payer gets the best price possible for them so the funds can be re invested into upgrades for the ones being kept rather than some behind closed doors deal where they are sold as one package to the likes of a community housing provider or KO and the rate payer is ripped off.
Jo Field	Transfer / sell		Central government have provisions in place for housing. Housing should not be part of the Council's remit and certainly not something ratepayers should be subsidizing. Particularly in the context when other council services / infrastructure are woefully inadequate (with specific reference to storm water and sewerage - when it rains!) Council needs to focus on getting basic infrastructure sorted first.	
Sandra Hjorring	Part retain / part sel	Combination	Rent rises should cover basic maintenance only and reflect the current cost of living. The flats need to be mainly self funded but assisted by a degree of subsidy by council. They should not be regarded as profit making entities. Council would continues covering the costs of maintaining the grounds, waste removal. Residents need assurance that their security, financial, personal and community is still a council priority. A healthy society is judged by its care of the elderly and vulnerable in its community. Napier City Council need to value this and not be viewed as exploitative by citizens in the future.	
Ms Petersen	Status quo	Combination	I have read the supporting documents, which were very helpful. Because selling the housing stock to a CHP does not protect low income retirees in the long term, protecting only existing retirees, because leasing the housing stock, tried by other local councils, has not been successful financially, and because a government consultation with local councils is due in 2023 to re-visit the issue of their tenants being eligible for government rent subsidy, I am in favour of the Council retaining their housing stock for now, in the meantime covering the projected $2.2 million shortfall with a combination of rates and rent increase to perhaps 35% of income. If the consultation with Government goes ahead in 2023, the issue of Council exemption from the recent restrictions to ending tenancies for tenants who no longer meet income requirements, to bring councils in line with CHPs who are eligible for this exemption, should be addressed also.	
Daryl Kendrick	Part retain / part sel	100% rent		
Shar Ambler	Part retain / part sel	Combination	I was never told when I was offered my home that these discussions were taking place so this a curved ball not needed. I am very grateful for my home and very secure and safe. I realise that there will be an increase to our rents which will be very difficult for most as we live fortnight to fortnight on our pension. I think to be asked by people after it being said we live in substandard homes is simply not true...the truth being mainteance has not been important to the Council. I have chosen this option as oil and water to do not mix irrevelant to how you word it. Retirees are and have earnt their right to peace and security and not mixed in with Social Housing which would be a recipe for disaster.	Its a sad day to see a group of people can after decades make a decision on what to do with us or who we should be sold to. We are not nothing and most due to circumstances beyond our control we find ourselves in Council villages which we are extremely grateful for. No one including yourselves know what may happen in your lives and you could find yourselves in our position. Over the weeks people have expressed their fear, insecurity and frightened for their safety if we are not solely aretirement villages. We would all prefer totally council owned but really this does not sound an option and like many others believe you have made your minds up. Most people take huge pride in their homes and the fear and uncertainty of many not having anywhere or anyone to go to is extremely stressful. Over decades of many dollars paid from rents the lack of up keep shouldnt fall on people loosing their homes or being put in fearful situations. Sell / Retain not CHP or Kianga Ora walk in our shoes we dont have a price tag we are priceless.

Ruth Smithies	Part retain / part sel	Combination	Sell/transfer social villages. Keep 8 pensioner villages. Move to making full use of Accommodation Supplement provisions and increase rents. Do not develop Hastings/Munro site yourself but Sell/Transfer. Delay building new units on Greenmeadows site. Establish a new (regional) pensioner community housing trust/provider; transfer/gift pensioner housing stock to it in the case that, over the next 3-4 years, central government continues to withhold support for local Councils housing portfolios. If support is forthcoming Council will be able to keep and expand the portfolio. For details see my attachment.	Status quo financially unsustainable and socially inequitable. Transfer or sell will mean total loss of all assets and land. It is premature as central government government support might be forthcoming; if not, another solution (newly set up Regional CHP) is available. For details see my attachment.
Teresa May Clements	Status quo	No response	See attached	
Khaleel Bahho	Status quo	100% rent	60% of renting market-scale preferred.	
Valerie McCormick	Status quo	100% rent	I need a place to live	
Natalie May Garner	Status quo	Combination	I accept that there will be rent increases which is better than living with social housing. This choice will be safer for tenants.	Social housing should not be mixed with community housing. Villages become unsafe when this is allowed to happen.
Dorothy Corbishley	Transfer / sell		How does this work [no rates or rent increase] As both other options have $2.2 to $2.3 mill shortfall.	I am one of the longest tenants in the Coventry Road Village and grateful for having a home to feel safe in. I am at the nearer end to my life so consider the taxing of ratepayers to an increasing short fund is a lot to ask. However those who need the protection of part funded low cost rent also need help and protection. There will always be people in need some through no fault of their own. The Transfer states no rates or rent increases. How does a new entity then make money to maintain and keep the rentals viable? I am also very sadden with the lack of care shown in the Village of late-pride has definitely slipped.
Rauoriwa Matariki Jacki	Status quo	100% rent		
Bruce Carnegie	Status quo	No response	See attached	
Michael John Parlane	Part retain / part sel	Combination		
Angela Maxwell	Part retain / part sel	Combination	I do admit the rent are very reasonable and could afford some increase but not a big amount if said we could get better maintenance than we get now. I have been in my flat 23 years and it's never been painted or cared. Same as I moved in.	
Tina M. Beauchamp	Transfer / sell		To the people who are in the Flats! Rent to buy with kiwisaver as deposit when signed up owners are responsible for the maintenance. Change the rent to market prices when you sign up rent to buy. if you did this the Council would triple the money they would make.	You the Council are helping the people that need the help. This will take the shortfall out. The maintenance of the homes would be the tenant/owners in the agreement. Time payments? 1 unit per year = 20,000 pr yr/ 10 unit per year = 200,000pr year/ 100 Unit per year = 2000000 pr year/ 300 Units per year = 6 million pr year. Sell to the people who matter!
Clifford Howell (Mr)	Status quo	Combination	Very nice flat. Thanks	Please leave as is. It is very nice and I like my flat a lot. Thanks.
Evie and Phil Coonrod	Part retain / part sel	Combination	We don't believe 2.3 million dollars is a significant amount for the council to maintain units when considering rent money was used for unnecessary projects in the past. This whole issue is not just about a outmission related to the council's financial shortfall (due to past bad management) it is about something much more important. It's about the security safety and welfare of the elderly in their final years.	None of us expected this insecurity would be constantly hanging over us when we applied for a flat. Like to be our 'final home' which would provide security and stability in our most vulnerable time of life. We hope council members are never faced with a similar situation in their old age.
Renata and Stephanie B	Part retain / part sel	Combination		Yes, The aged and elderly should be housed together not combined with young families. Some young families are very busy with friends coming and going various hours of the day and night. The pile up of rubbish is a concern also.
Patricia Nicholson	Status quo	Combination	I am living on Govt superannuation with no other income. I could support an increase in rent on a 50/50, or 40/60 basis.	

Jen Davis	Transfer / sell		There would be thousands of pensioner home owners that their only income is the pension. Most probably would have scraped, saved, and gone without to get their home. They are NOT lucky, they maybe have sacrificed a lot to get that house. Why oh why should those with their only income being the pension, have to subsidise other people who have not made sacrifices to scrape and go without to buy a house?? These 'pension only' home owners still have to pay their insurances, maintenance, rates and if they've still got a mortgage, that could possibly be well above the 30% of what the council tenants are charged of their income. With all the rising living costs and now about 10% rate rise, it will be an extreme struggle for some to survive themselves – and your suggesting that they subsidise others who are only paying 30% of their income on rent. I know that there are drinkers and smokers who live in this housing, if they can afford such luxuries, sorry, but they can afford to pay more rent. The tenants need to stay of course, but need to pay more rent. Sell them to a proper business that can make them viable. It's extremely unfair to make the rate payers 'prop' these people up when a lot of home-owners with their only income is the pension and they could be struggling far worse than these tenants	It's a user pays world, don't keep on loading the rate payer, a lot are absolutely struggling to the max
Sarah Mullen	Part retain / part sell	100% rates	I believe by working as village and taking care of our elderly and vulnerable, we are proving what is really important in life. 'he aha te mea nui o te ao? Māku e kī atu, he tangata, he tangata, he tangata' I own my property and am happy pay more of our elderly are taken care of. In a pandemic climate I have seen the mental and physical health issues that these vulnerable people have suffered from. To add the fear of being homeless has not only been stressful, but has caused them severe medical issues. While I understand the implications these properties are causing to the council financially, isn't the most important thing that these vulnerable people are taken care of?	I do not believe that selling all of the housing would be the right thing to do. When you specifically state that the housing is for vulnerable and community I have questions. I live opposite one of your retirement villages. Here, these elderly have space to garden, socialise and engage in a healthy living lifestyle in a time of their lives when they should be enjoying it. They can afford to do it, as the current prices allow them to. During covid I spent time with some of them, feeding them and talking them. They are our most vulnerable. While I understand there are other social housing people in our community, I have a few concerns. Historically, while housing owned by Kāinga Ora has homed many who were vulnerable, it had also homed people associated with gangs, who have drug and alcohol dependencies and associated with people who suffer from severe social and mental health issues. You only have to look to many areas in Tāmaki Makaurau, where areas were bought and became social housing and this has had ongoing derogatory impacts. Such as people's homes they bought and worked so hard for decreasing in value by huge amounts. Furthermore- a local increase in crime, such as being threatened in their own homes, break ups of families and marriages, children
Nina Deroles	Status quo	Combination	Mostly rates, it's the cost of housing the vulnerable.	
Logan Wells	Transfer / sell			
Marc Van der linden	Transfer / sell		Rates have continued to increase quickly and lots of families cannot afford this . This can not continue.	
Blair Hislop	Status quo	Combination	I selected this option as I believe the council, and the people, have a moral obligation to support the elderly, and those less fortunate than themselves	
Nicholas john Hinks	Status quo	100% rent		
Reece Kennedy	Status quo	Combination	Its important as a community to support the elderly. If we can maintain pools, libraries and tourism then we can also support our elderly.	
Robyn Broughton	Part retain / part sell	Combination	Our elderly need this type of accommodation, they are on fixed incomes, therefore they cannot absorb huge rent increases. Perhaps a small increase every year would be part of the answer.	If you sell off the social housing, please ensure it is to a local accommodation provider whose has the capacity to tap into government subsidies to help these people to maintain a life of dignity.
Kay Mitchell	Part retain / part sell	Combination	Selecting this option is the best of both worlds. The council receives money for the sale of the social villages enabling them to built further housing. The retirement villages stay the same. I realise that a rent increase will occur over the following years	Selling council housing to a social housing sector. Mixing both social and retirement tenants altogether in the villages would cause disharmony amongst the elderly and they would feel very threatened, not feeling secured in their homes.
Sandra Sparling	Transfer / sell		This option is not quite what I support, see my comments below, but I couldn't move on without ticking one option.	If the council houses in the most expensive areas were sold, ie Hardinge Road, Westshore etc, and proceeds put towards upgrading some of the other units, maybe there would be no need for a shortfall. Otherwise rents will have to rise, Napier rate payers should definitely not be burdened with these increased costs or indeed subsidise them, our own rates which are again increasing is enough of a burden for many people.
Tyla Walker	Status quo	Combination	KEEP THE HOMES!!!	

Margaret Jennifred Hof	Part retain / part sel	Combination	As a long term Napier resident and rate payer, regularly involved in volunteering community work, I am very upset to discover so many older residents depressed about their future housing situations in the NCC RetirementVillages. I wonder if you're aware of the outcomes your decision making will have on these vulnerable locals. These tenants in your Retirement Villages are indeed living in sun standard premises(admitted by NCC).. For years and years rents from these residents should have been spent on continual upgrading the houses, bringing them up to the standards required by Housing NZ. The lack of insulation and heating is not acceptable, neither is the lack of redecorating and renewing of the utilities.- some for 49 years. By ignoring the acceptable rulings the council is placing itself in a position that could be challenged legally. So where has the rental income gone! The majority of the retirement village residents find themselves housed here due to circumstances beyond their control. They pay their rents, keep their homes clean and tidy and cause little trouble or cost for the council. Therefore they deserve to be treated fairly and with respect. They are wondering where all the millions of dollars of rent have been spent. As a rate payer, I am too! If you look aT the history of these tenants, you'll discover many of them have been valuable members of our society. They deserve to be housed in communities with similar aged people where they can live out their days in a stress free, quiet village, pottering in their gardens and enjoying their neighbours.	
Susan John	Status quo	Combination	I feel this option is the most tenant focussed and council involved which I believe would most benefit Napier itself. Although rates may need to increase, it is more likely the rate payer who has greater fund availability, than a tenant who may be in a less well paid job or who has fewer opportunities for employment options. I would also like to see the combination of rates and rent more heavily weighted on the rates option.	Not at this time.
Graeme Etheridge	Transfer / sell		I don't want future generations of ratepayers having rates increased to pay for a problem that can be corrected now. It is "cheaper" to act now than to continue and sit back watching the problem grow.	Social housing is an admiral pursuit, but cannot be at the expense of Napier's ratepayers, many of whom have their own private battles with "making ends meet".
Kristen Truman	Status quo	Combination		The NCC has proven time and time again that they simply don't care about housing stress in the city. When, almost a decade ago, state housing in Maraenui was torn down residents were promised alternatives that were never given, leading to families being broken up as children were sent to live with other relatives. Perhaps the council wouldn't be under stress if there wasn't swathes of empty land around unused? getting rid of council housing has the potential to increase homelessness in the city which is something Napier can't afford.
may kaimoana	Status quo	Combination		
Lois Young	Transfer / sell			No
Kay Mitchell	Part retain / part sel	Combination	Selecting this option is the best of both worlds. The council receives money for the sale of social villages enabling them to build further housing. The retirement villages stay the same with the council still being the landlords, I realise that a rent increase will occur over the following years.	Selling council villages to a social housing sector like Kainga Ora. Mixing both social and retirement tenants altogether in the villages would cause disharmony amongst the elderly we would feel very threatened, not feeling secured in their homes. When I was offered a home at Centennial village in Taradale I was over the moon. I had just had a hip replacement during covid in Rotorua Hospital. I had been renting a house in Taupo and due to another rent increase I was unable to afford the rent. I was going to be homeless when I came out of hospital but due to some kind people they took me into their home and looked after me after the operation. When I saw the village and number 40 I was so excited I could see myself living here and what I could do with the gardens. I finally had a forever home and would not feel the threat of being evicted. Due to living in pain for over 3 years and not having any family in Taupo I went into deep depression I became suicidal and was hospitalized put on medication under the mental health Act. Now I feel safe not lonely or depressed I have friends and people around me. I do not want to ever feel like that again. KEEP RETIREMENT VILLAGES
Rona McPartlin	Status quo	Combination		
Rona McPartlin	Status quo	Combination		

Pauline Franklin	Status quo	Combination	These tenants our some of our city's most vulnerable citizens and deserve to have subsidized accommodation.	Years ago this housing helped a family member of mine who had young babies and very little income. This housing provided the perfect solution for her until she could return to work. Our City needs to have a heart.
Geordie Dewhirst	Transfer / sell			
Dave Blackmore	Status quo	100% rates	THIS IS A TEST SUBMISSION FROM NCC WEBTEAM	THIS IS A TEST SUBMISSION FROM NCC WEBTEAM
Vanessa Shipp	Transfer / sell		I don't want to be paying for other people to have their homes refurbished at the expense of my rates increasing as we already pay an excessive amount for rates and they keep rising. I work hard to have a home which i have to maintain and pay for any reurbishments.	
Olive Williams	Part retain / part sel	Combination		
Brian Williams	Part retain / part sel	Combination		
Allan Edlin	Part retain / part sel	100% rates	Demolish Henry Charles Riverbend Rd (Two old). Sale off the land. Pay the loan back. No new units to be buy. Four 5 years. Rehouse tenants in Antherr villages.	
Sharon Webster	No response	100% rates		My thing would be to estimate the rental you got, and it went eleswhere before 2014. So how much of the rents, has not been kept to fix the rentals, it would total a lot for 30 or 40 years. So I think not us oldies should pay more, but the rates should pay, as they used the rental money 4 something eles. Find out where the money went. We only get about 60% of the normal wage. If you need money so badly, why are the flats empty 4 so long. 1 flat empty end of nov, still empty now. If you can't get your people 2 do the work. I am sure winz would help you.
Debra Scott	Part retain / part sel	Combination	ncc to keep retirement villages. So many woman need to be able to have safe housing. A lot of woman have/do not own homes more than men due to lower incomes and abuse: or disabilities. if you sold these homes there would be so many Homeless woman.	Keep us safe in our older years.
John William Gudd	Status quo	Combination	No comment	
Dennese E Mason	Part retain / part sel	Combination	No real comment as have been happy with NCC. Have lived in unit for more than 10yrs, understand & accepts rents need to increase.... On the downside maintenance of grounds (e.g) lawns need to be addressed, disgraceful job being done...	
Ruth Baker	Status quo	No response	Yes will accept an increase in rent	Will take what it is; this is my home regardless. I am renting it because I have never owned a 1/4 acre plot of my own
Hope Simonsen	Transfer / sell		Emerge Aotearoa Housing Trust is a registered Community Housing Provider. We are dedicated to the provision of affordable, quality housing and have a long term commitment to this provision for people in Aotearoa. We are currently a provider of transitional housing and support services in Napier City and we are exploring development options for the provision of long term social housing. We would welcome the opportunity to participate in an Expression of Interest process if Council did decide to sell.	The option part retain / part sell also may have merit and may be a viable option for a Community Housing Provider. There may also be a hybrid model which retains Council as the owner, but establishes a leasing relationship with a Community Housing Provider.
Anne Cardno	Status quo	Combination	Keep housing under Council control, retain the asset if possible.	
Joy Palmer	Status quo	Combination	The people who need this housing should be left in peace. Repairs could be carried out as each house is vacated. A small increase in rent would be acceptable.	Tsfr Sell: Which social housing sector? Housing NZ? They would then have to do all the repairs. Part sell? Then pay to build more council houses with the money instead of using it to upgrade existing houses?
Ian Elgie	Part retain / part sel	100% rent	I would prefer that enough existing units are sold to reduce the shortfall to near zero, this may mean building fewer than 45 new units and/or selling more older units than originally planned.	
Ellen Tambour Ellen	Status quo	Combination	Hello I am very grateful for my little flat I don't keep good health and I am worried please do not mix us with social housing it WILL NOT WORK	

Laura Jeffares	Status quo	Combination	It is a societyâ€™s responsibility to support those in need. Council washing its hands of our social housing responsibilities is abhorrent. We will see significant increases in homelessness and the onflowing social issues that creates. Selling the units to another entity is not a solution- there are almost none who could achieve this without increasing rents substantially and negatively impacting the residents and the wider community.	Housing our vulnerable population is a responsibility for us all, and the proposal to sell will lead to negative social ramifications and the exacerbation of the issues we already face in Napier
Gary Curtis	Transfer / sell		Ratepayers are continually being asked to pay for more and more activities etc they do not participate in or benefit from. I do not think they should be forced to further subsidise social housing.	Provided the extra cost (shortfall) was covered by those in the properties I would have no problem with either option but would favour Part Retain/Part sell
Jacquiine Broun	Status quo	Combination	In my opinion the council cannot sell of these flats, for a start there will be more than one landlord so rents will be different, it wont work, I know of another town where they were going sell off the council flats and they ended up shelving the crazy idea. Selling these flats a shocking idea, as I am guessing some big wheel will buy the lot knock them all down and rebuild - the tenants already in these houses deserve to be there, having them homeless is a terrible way to treat them. Plus the flats wont be up to the building standards so am guessing they cant be sold off anyway, as the council will have to bring them up to scratch which you will have to do anyway as per the govt law.	Combination rates and rent
Liam Wilson	Part retain / part sell	Combination		
Dinah Harvey	Transfer / sell		Social housing in NZ, should be provided by government (through taxes) and private CHP's, NOT councils (through rates). It is my personal belief that the council role is to provide services and amenities for all the public to use, should they so wish. If councils fund or subsidise their community housing stock, that is to support individuals personal use, not general public. At this time, when our tap water is barely drinkable for much of the time, we need to be using rates money to build effective water infrastructure to benefit all who live, work in and visit Napier. I, too am a pensioner on limited income who has to pay rates. Happy to pay them to support an infrastructure/services agenda but not a social one.	If the transfer/sell all option is not taken up, then the part retain/part sell option should not include building more units. Just sell the 3 villages, use the money from that to upgrade the retirement villages to meet current standards.
DAvid Small	Transfer / sell		Given the housing crisis this seems like the best option to get more social housing built while having conditions in the sale agreement to protect the current tennants and focus of the housing. It seem like holding onto them is getting to costly for the council in terms of time/resources/money.	
Holly Harris	Part retain / part sell	Combination	Selling some units and building new ones means that the council will be able to guarantee some amount of elderly-specific housing. We believe this offers a level of safety to retirees, which is essential in allowing the Napier City Council to meet their goals. This option allows the council to build more units, which is necessary.	To maintain the status quo or transfer all units are both inadequate options in terms of providing enough housing. If all units were transferred, we take issue with the fact that there would not be any housing put aside for pensioners specifically. We would be willing to support selling the retirement villages to a provider if they could be sure to retain their status as retirement flats.
Andrew Morris	Part retain / part sell	Combination	The Council should retain an appropriate number of social housing units to cover projected demand for firstly, people with disabilities and then, retirees who have no other option. This should be reconsidered following the results of the local government review when it becomes clearer whether social housing is a local government responsibility.	To sell the total housing stock is too drastic a move for people who have come to rely on it. If it is determined that it must be disposed of, this needs to be done gradually to reduce the impact on the lives of people who are already under great stress.
Toiata Faatuuala	Status quo	No response	I want to keep the flats. To me its close to everything, the doctor, the church, to the shops. They mow the lawn, I can't even mow the lawn. People are friendly	it's close to my family. Close to my neices and the kids.
Marise Watkin	Part retain / part sell	Combination	Retirees and people with disabilities require safe and affordable housing.	These properties should have been maintained by council previously. Why have all previous councils not done this?
Richard Angus Henderso	Part retain / part sell	No response	Not able to answer this. But think it is the fairest option.	Possibly when interviewing residential prospects to have your questionnaire able to get an accurate response regarding their qualifications - your staff may need more training in this area and naturally abiding to your obligations (great rules, etc.). Regarding applicants who have serious health or mental problems should they not applying for care at rest homes?
Anne Mary Ingrey	Part retain / part sell	Combination		
Rex Rondon Pyne	Status quo	100% rates		
Fiona Clements	Status quo	100% rates		
Mike Pawson	Status quo	Combination	50/50	
Jeffery Thomas Delugan	Status quo	Combination		

Denise Mildenhall	Status quo	Combination	You have had years of rent from these property. Where has that money gone?	
Diane Chaplin	Status quo	Combination	Gives the tenant the most security and less stress. More stability and less stress of uncertain circumstances.	Rent rises are huge worry to us superannuants as we struggle now to make ends meet. Some rent rise would be acceptable to ensure the villages remain safe, secure and peaceful places to live. I have lived in Centennial Village for 11 years and just love my flat, and the lovely ladies that look after us in the Council, especially lovely Lucy. Tenants have been under extreme stress with all the uncertainty of the housing dilemma over the last 2.5 years, so hope it can all be finalised as soon as possible.
Carol Leonie Raitt	Part retain / part sel	100% rates		
Jay Lamburn	Transfer / sell		Key will be ensuring the long term and not negotiable provision of social housing, as per the current situation. Recognising though that in the longer term, demand for social housing may change to different groups. Once all us baby boomers have moved on to the big house in the sky, housing for the elderly may not be needed in the quantity it is now. Ensuring current tenants are fully informed and comfortable with this change is critical. It will be scary for many. Also do like the idea that tenants that no longer meet the criteria for rent relief can be asked to move on, rather than just pay more rent where they are. This housing is the last and only option for many and should not be taken up by people whose circumstances have changed to the point the support is no longer needed.	
Susan Rickand	No response			I considered the comments made by Council in the Future of Council Housing Provision: 'why does the rent money not cover the costs?' "... the amount we get from the rent no longer covers the costs to maintain our housing service and we have no funds aside should anything major go wrong". To receive approximately $47,879 per week from 377 tenants is surely sufficient and should not be a problem. I consider it shows a misuse of funds received by Council for rent payments and it is not the tenants that should fund the shortfall.
Grant James Scullin	Part retain / part sel	Combination		
Kevin Lake	Part retain / part sel	Combination	Remember we are only superannuants. At one time in our lives we paid rates for the housing villages. Where is the money coming from to build the new 45 units? The city Council has wasted a lot of money on the rubbish removal bins. Sometimes it really smells so its not nice to have windows and doors open. And we shouldn't have to go out.	The money used for the rubbish could have been used on renovations. Our grounds are very poorly kept. Having better contractors would be great. Another suggestion I feel would might help would be Coventry Ave rents stay in Coventry retirement village. It would be good if we still had a support person from the council coming to visit us every fortnight. I was disappointed that I was the only one to attend the last meeting from my village.
Robyn Elizabeth McCrac	Status quo	Combination	I am quite happy to pay 40/60% increase if it means I can stay in my flat.	
Noeline Veronica Irelan	Part retain / part sel	Combination	It is not a privilege to reside in a 'Council Retirement Village Flat'. It is a necessity for those who have only their pensions or very little other income. Any rental increases will need to be realistic and not create hardships to those tenants living in Council flats. The 'current average market rent of $415 for a 1 bedroom" as stated in your letter to me, is precisely why I am here in a Council flat as I could never ever afford this amount, only receiving superannuation.	If, in fact, Council did sell all of it's housing as stated above, what does it propose, have earmarked for the $64 odd million dollars, that the sale would return?
Christine Underwood	Status quo	Combination	Very apparent that selling off to private enterprises would increase their rents prohibitively for these mainly elderly pensioner people.	
Brian Underwood	Status quo	Combination	Selling to private providers would invariably increase rents beyond the means of these house occupiers to pay	
Leigh Burnell	Status quo	Combination		
Ella Parnell	Status quo	100% rent		

Garth Eyles	Status quo	Combination	Council has a moral responsibility to look after its less fortunate. Council runs most (if not all) its assets at a loss (e.g., Aquarium, MTG). Why concentrate on housing as an issue?? Effective management would reduce the deficit. Occupiers don't need (want) the best facilities - they want warmth and security. However an effective maintenance programme over the years would have meant this was not an issue.	
Raewyn Lawrence	Transfer / sell		I believe it would be a wise decision to sell the housing stock to an approved experienced provider, who have people out in the community who are working with those in need and would therefore be in a better position to make the assessments. The Napier City Council provided housing in a time the was different and now it is time to move forward. Thank you	
Mary Anne Eyles	Status quo	Combination	It is hard enough to find rental properties and the current tenants are in no position to purchase. That's why they need social housing provided. NCC should not, morally, offload this existing 'portfolio'. We need to try and make this work for our vulnerable community members.	
Shelley Heath	Status quo	100% rates	I would like to see the status quo retained in Napier. My mother has lived in one of the retirement villages for nearly 30 years after my father sadly passed away at only 61. In that time she has been well looked after by the extended community in the village allowing her to stay independent into her 90â€™s. I do not believe her years in her flat would have been as enjoyable, secure and supportive if these units were not reserved for the elderly. Her neighbors (and she has had many over her years) have given company, companionship, put out rubbish bags, brought in mail, watered gardens, run errands, checked in on her, contacted family if needed. While the council, as owners, have provided a secure tenancy for her in her later years, it is the other retirees, her neighbors, that have enabled her to continue to live independently in a safe and secure home where she can sit in the sunshine on her porch and enjoy a cuppa and natter with the neighbors, and sleep easy at night time without fear. If we can not guarantee that these villages will always be ringfenced for the elderly people of Napier and remain an affordable option in the future then Napier council need to retain ownership of these units. Napier in an expensive city to live in. We already have a housing crisis. You just need to listen to the experiences of those already living in Napierâ€™s emergency housing units for proof that these tenants are often less than desirable and unmanageable. As a ratepayer in Napier I am happy to pay via my rates to ensure that we can continue to house our elderly in safe, secure, retirement villages for many years to come.	
ANNE REESE0	Status quo	Combination	Rents should rise gradually annually.	Regular maintenance and up grades are important ongoing.
Mark Brown-Thomas	Status quo	Combination		PLEASE SEE ATTACHED SUBMISSION
Tim Setchfield-Smith	Status quo	Combination	We need a safe HOME for our elderly and vulnerable citizens. Often not through their own fault, they require reasonable rental housing. I have seen in Auckland when the council sold off its flats, folks that had a life and friends where they had lived for some years were forced out further and then further again. Away from public transport and away from company and they have given up and pass away sadly on their on a short time later. These people quietly gave a lot to society only to be unwanted and moved away to die.	
Pene Johnstone	Transfer / sell		1. Sell the social villages to Kainga Ora. They are more equipped to manage them and can provide the wrap around services as needed. 2. NCC to partner with a Charitable Trust set up to manage and develop the NCC Retirement Villages to provide ongoing and long-term provision of social housing for the elderly of Napier	As attached
Aaron Lavery	Transfer / sell		A social housing provider would be able to better manage the needs by having access to additional funding not available to council. Council needs to put safe guards in place that current tenants are protected and that the use of the property remains as social housing. A local provider should be considered before Housing NZ.	

Mark Cleary	Status quo	100% rates	The three options fail to accurately capture the complexity of the issue and while we support the Status Quo, we are not averse to more elegant solutions, if they can be found. The key principle for the Trust is that local government be actively involved in supporting the most vulnerable in our community into housing, thus ensuring we live in a kind and fair city. This aligns to the Wellbeing pillar that should be a central element in your decision making. Warm, healthy affordable housing is the most fundamental human need and we believe essential to strengthening social cohesion, community building and is a prerequisite for a safe city. If the Council is genuine in its vision of Putting People First, then it must accept it has a fundamental obligation to ensure all people in Napier are safely housed. We should be ready to be judged by how out most disadvantaged live.	We would be interested to know if the Council has investigated the establishment of a Social Housing Trust based on the model established by the Auckland Council and the Selwyn Trust to establish Haumaru Housing thus enabling them to access the government rent subsidy (IRRS). This would align closely with one of the two options suggested in the 2018 Morrison Low review.
Andy White	Transfer / sell		1. Part retain is an option 2. Transfer/Sell to multiple entities - preferably to existing, locally established and run CHPs that operate services in social support or Housing provision in the field the current tenants fall into ie Retirement Housing to entities already working in the Aged/retirement cohort.	
Jane Hughes	Transfer / sell			
John Sayer	Status quo	Combination	The best of a bad Nothing	No
Lynda Cushing	Part retain / part sel	Combination	I firmly believe that we have a social obligation to provide continuing low rental accommodation for our older vulnerable people in our community. I do question whether rental income has been solely used for maintaining these units over the years or been used in council general funds.	The pensioner villages should be retained by the council. I feel very strongly that we have a moral obligation to do so . These are some of our most vulnerable residents who don't always have a voice. We need to be there voice.
Liz Lambert	Part retain / part sel	Combination		I support the retention of the retirement units as there is a shortage of options for retired people in the rental market.
Margaret McClellan	Part retain / part sel	Combination	N/A	N/A
Rosella Hill	Transfer / sell		Might as well sell to Kainga Ora. I can't afford a high market rent.	What is the Endowment Act, that the Carlyle village has?
Kristine Franklin-Ross	Status quo	Combination		
Ian Dine	Transfer / sell			
Kelvyn Stevens	Part retain / part sel	Combination	Napier council does wonderful work supporting the needs of various residents such as children through the parks and playgrounds as well as assisting the elderly with safe secure housing. These facilities are not always self-funding, but they are part of a larger picture which is a council's responsibility to help provide for the wellbeing of all residents, young and old.	My first choice would be to keep them all however I understand age and condition may not be the best option for some units. Some could perhaps be sold but this should not be a means to reduce housing care for the elderly. New replacement units must then be built. I would also like to see a more aggressive and determined representation to the national government to re-introduce rent support for council units.
Gordon Hartley	Status quo	100% rates	I like the Council as my Landlord--they have been good to me and I trust them. I do understand this option and another option leaves a shortfall and I'm only thinking of myself here and what is affordable to me at this stage of my life. Of course, it's personal and just my view I'm giving you.	If you did transfer/sell, PLEASE have it in writing (guaranteed) that existing/current tenants stay exactly as they are and any rent increase is only adjusted to the annual pension increase. I can't afford it any other way. (I know there is an accommodation top-up, but I don't understand all the workings of this, plus I don't trust what the Government /politicians tell us--things DO change!) If there were "other" increases, I'd have to sell my modest car and would struggle with food, medical bills, replacing fridge or other essentials going forward. Thank you. GH
Rochelle Chadwick	Status quo	Combination		
Barb Abbott	Status quo	Combination	I feel that it is sad it has come to this. These flats should have been maintained over the years then this would not have happened. People who rent have been made to up grade so why wasnâ€™t the council	No
Leonie Caskey-Hatyon	Part retain / part sel	Combination	Itâ€™s important to have some community housing resources for those who for whatever reason are not able to help themselves. Esp people with disabilities.	Good to encourage other agencies to be involved. Happy to share cost of this, more fortunate supporting less fortunate
Robyn McCormack	Status quo	Combination	As a community we need to take care of the elderly, disabled and vulnerable people who reside in Napier. I am a ratepayer and feel a socal and moral obligation to do my part to help the vulnerable. Housing is a basic human right and to uproot the current tenants, especially the elderly in their old age, during a housing crisis is morally repugnant.	
Lynette Larkins	Status quo	100% rent		
Leigh Clark	Part retain / part sel	Combination	Rent up as well.	Rents should be increased to help offset the increase in rates.
Nicholas Bryan	Status quo	100% rent	The rent is well below market rate and the coucil should have been allocating money towards this instead of the stupid planter boxes and paintings	Move money around from different areas to get the houses upto standard. Offer decreases in rates for people who are willing to come help repair and upgrade

Lynette Otter	Part retain / part sel	Combination	I just think this would be the best option for all concerned as some council flats could be replaced by new which is a good option for all concerned,	The Status Quo is also good as for some older residents they have been quite upset about the what is going to happen to them, This way their worries would be satisfied. I am not good at writing submissions so hope these suffice.
Megan Landon	Status quo	Combination		
Adam Johnson	Status quo	Combination		
Jennifer Rouse	Part retain / part sel	Combination	Together with the addition to my original submission, supported by Mark Peadson resident of Unit 4 in Arthur Richards Retirement village, who has signed the bottom of my paper, I am also forwarding 2 other submissions from neighbours who asked me to assist them. Maggie in Unit 1 and Graeme Kirby in Unit %2317. I live in Unit 18. We expect that all 4 submissions attached here will be considered in both hearings and deliberations. Further, since I will not be in Napier on the date of the hearings, I would like my son, Nicholas Palmisano, to advocate for me at the hearings to be held on 20 May. Owing to work commitments, Nicholas prefers a mid to late afternoon time slot. Please email me with a confirmation and time for Nicholas to present together with details regarding format of the hearings.	
Douglas John Evans	Status quo	No response	By not spending on a swimming pool. The Council has a duty of care to the current 370 tenants. Throwing them on the scrap heap is kicking someone when they are down. Kainga Ora already have 65,000 houses and will they ensure current Napier Social Housing residents will retain their current rented premises and pay no more than 30% of their income. Your reference to Kainga Ora is meaningless unless you have written confirmation from them that they will hold the rent at 30% of income and all existing residents will be guaranteed to hold their existing units.	So Council after telling the residents last year that they have nothing to fear as they will be looked after. For frail, sick and elderly residents you are looking to go back on your word, and turn their already poor lives upside down. You appear hell bent on focussing on unnecessary projects such as swimming pools (when there will be one available at Mitre 10 sport park) and Aquarium - that is built metres from the sea when sea levels are rising. I woould suggest you refocus on what is important and as for funding sell off half of anderson park.
Bruce Andrew Morgan	Status quo	Combination	I think the Council should keep them but I guess we will have to pay more rent in the future as everything else has gone up. Please turn over our needs money spend on our units. A new kitchen and bathroom, toilet area would be nice. It's in a good area. Close to town and as I'm getting older I may not have a car one day and walk everywhere. I think the Napier City Council are doing their very best. As for the future if the Council decides to sell I hope we my wife Irene and daughter Ashlee and I can continue to live here. Look forward to hearing the outcome. Thanks Regards Bruce Morgan.	
Ferdinand Cudia	Status quo	Combination		The place we live in we have no heat pump, no insolation.
Carol Eddy	No response	Combination		
Norma Bowater	Transfer / sell			
Gary John Rotherham H	Status quo	Combination	Some of the units in complex unsuitable for retirees a social housing e.g. stars. And in 3 bedroom units not big enough playing areas for children, becoming ghetto like.	
Dawn Elizabeth Bedingf	Status quo	100% rates	Please see attached submission	Please note I have booked into speak on my submission 18th May between 3.30 and 5pm - booking is confirmed.
Lester Calder	Status quo	100% rates	Any community should be prepared to support people who are disadvantaged or disabled. I am happy to pay a contribution in rates towards housing for such people. I think the other two options are a slippery slope towards exit from community housing provided by government and local government.	
Lorraine Bicknell	Part retain / part sel	Combination		
Karyn Foley	Part retain / part sel	Combination	I believe that the housing units that house non-older populations should be sold to Kainga Ora and the older population homes be sold to a private provider who will actually maintain the homes with the rent provided and provide more of a community environment for their tenants. I don't feel that 45 more units are required and the annual shortfall is excessive and misleading.	The tenants need a voice as many are vulnerable and can't manage to complete even a submission! Have they been offered support from a neutral provider to help with this?
Beverley O'Keefe	Part retain / part sel	Combination	Please remove my previous submission as I made an error	
Lynn Edlund	Status quo	Combination	The Nelson Crescent Village should become/classed as a RETIREMENT Village. The units are way to small for families. There have been mostly retirees living in our lovely little complex for a long time...until very recently. We will lose our peaceful, happy lifestyle if this changes into ' SOMETHING ELSE"	My unit, my home, in which I have lived for approx 36 yrs...has been renovated especially for my disability, helping/enabling me to stay/ live happily in my HOME...at no cost to the council
Hellyer Tom	Transfer / sell		Sell the lot if you can't get market rent	I don't mind if Napier keeps the Flats but the people have got to pay market rent. If not Sell the lot

Nick Palmisano	Transfer / sell		Public housing should be provided by registered Community Housing Providers and it should be provided with the intent of meeting a specific need. For example, if Kainga Ora takes over responsibility of Napier Council housing, it should do so under a Memorandum of Understanding that the existing status quo is maintained, particularly for elderly and retirees, for whom the cost of living crisis is proving insurmountable. It is positive to see this sentiment expressed in the 'Part Retain' and 'Transfer' options. Rates of homelessness and poverty amongst our most vulnerable elder population are at an all-time high. Their surety of tenure, and continuity of the retirement villages being maintained for retirees is of paramount importance. It is unacceptable that we would allow this community to suffer through the anxiety of their housing future being in jeopardy due to government policy. Kainga Ora has previously acquired retirement facilities in other regional centres such as Nelson, to the detriment of existing tenants once these facilities became 'multi-use' or 'needs-based', indicating an inclination by the CHP to relocate vulnerable individuals with mental health or addiction challenges, or even families, into single-bedroom units that is totally unsuitable for the environment. Any divestment of Council retirement housing should be released under strict, enforceable conditions that safeguard current tenants and protect their future. Arthur Richards Retirement Village, as an example, is a freehold title that Napier Council was gifted by national government decades ago. There is no cost to the property other than maintenance and operational costs. The current tenants are only able to live there in comfortable retirement because their	This is a complex issue with no 'right' solution. Each of the three options comes with significant consequences for both the short and long term. The potential future of vulnerable retirement communities is endangered no matter what but our goal should be to protect our communities as best we can. We are all doing it tough with inflation and cost of living challenges, but we all deserve to have a safe, warm, dry home in our retired years after contributing to the social and economic fabric of this country for the last sixty or seventy years. If ratepayers cannot find a way to support that future, knowing that they too will one day be in that position, then we might as well sell the entire portfolio and wash our hands of trying to maintain influence over the dream of a comfortable retirement.
Alex Smith	Transfer / sell		In my view it is not in the interests of NCC to own/administer these assets there are other agencies that have professional support mechanisms in place for this.	
Lynn Burton	Status quo	Combination		
Richard Burton	Status quo	Combination		
Sue Myles	Part retain / part sell	100% rent	30% of market rent is outdated! This should have been raised a long time ago to be 70- 80% of market rent or as recommended 81% to break even. For the tenant, the money should be found by applying for the Accommodation Supplement. This will now have to be raised incrementally and will not be enough over a time span of years now, so there will have to be increased rates input as well. The rent should cover maintenance.	One of our group thought we should retain all the units but I am not sure how one would deal with going back to housing the Elderly and Disabled and not those needing Social Housing
Petra Du Fresne	Part retain / part sell	Combination	Napier needs to keep as many options open as possible to house its people and itâ€™s growing elderly population.	
Andrew Wallace	Transfer / sell		There needs to be a relief to the council coffers from anual up keep which can be carried by going forward by the new entity which the council must not fund should be stand alone not become a kiwi build or light rail money pit	
Stacey Sullivan	Part retain / part sell	Combination	The ones older people will have nowhere to go. Iâ€™d rather help them. Social housing should go through HNZ	
Jennifer Cruickman	Transfer / sell		I choose this option as it is the ONLY option to transfer to a trust to enable government funding. I DO NOT support the council selling to another provider.	The council should establish an independent trust to gain access government funding so that low cost housing can be maintained.
Ailsa Meyer	Status quo	Combination	We need to keep housing for our people. I'm happy to Pay for this through our rates	
Pamela Donnelly	Part retain / part sell	Combination		
Nigel Mooney	Part retain / part sell	Combination	NCC is a fantastic landlord. I moved in here 2 years ago on the understanding that my retirement future was secure. Phasing in rent increases is a very generous gesture. Retired people need security and peace of mind. Well, everybody wants that. If there has to be a cost increase for such then so be it.	
geoffrey Nauer	Status quo	100% rates		
Paula Kinsey	Status quo	Combination		Having seen firsthand the demand for emergency housing etc in the HB, I am scared that our elderly would be left in the lurch and not respected like they should be.
Kylie Hunter	Status quo	100% rent		
Josephine Elsworth	Status quo	100% rent		
Peter Malesis	Status quo	Combination	I. Would keep them .a valuable asset for napier residents.	
Megan Conroy	Status quo	Combination		
Garry Ravenwood	Status quo	Combination	All of the council rental units should be retained with a combination of rent increases and council subsidy. The rents are way below existing commercial rates and should be increased until they cover the costs without the council making a profit. If some do have to be renewed the rent should reflect the increase in quality. These rentals are critical to more and more of our older residents. I am very happy that some of my rates help the people that live in these flats. Garry Ravenwood	

Peter Grant			Please note we have selected the above option as it was compulsory to select one - but we offer other suggested options in our submission so wish to have none of the above options recorded against our submission.	Please see attached submission.
Jennifer Rouse	Part retain / part sel	Combination	Attached here are submissions from residents of Arthur Richards Retirement Village who have asked me to help them. The first document contains signatures from residents who unfortunately did not identify the unit they occupy. The second is from Judith Taylor in Unit 21.	
Kathleen Harvey	Status quo	Combination	I am opposed to the sale of Council Housing. At the moment the housing areas are tidy and safe unlike many Kainga Ora housing areas where many tenants have mental problems or are affiliated to gangs. Not many agencies would be able to buy such a portfolio so it seems that Kainga Ora would be the main contender. The areas they now control in the city are deteriorating and some good tenants have very bad tenants next door. Bad tenants are not evicted and smashed windows etc are fixed over and over again. Prospective new tenants are given points â€“ extra for bad credit ratings, mental health problems, living in cars etc. This type of tenant is not going to fit in well in a mainly Pensioner village. Pensioners and people with disabilities need to feel safe as part of a community. A mix of tenants would take away the safety and community feel of the Council housing complexes leading to more untidy and unsafe areas in the City. If the Council housing had been maintained properly over the years, the current rents would be sufficient to continue to maintain these flats. Many are over 50 years old, none are new, and past rentals would have been collectively a substantial amount. However it seems that records cannot be found for the uses of many past yearsâ€™ rents. Little maintenance has been done in the past. This is bad management on Councilâ€™s part and selling them off to cover up is not the answer.	
margaret Habib	Status quo	100% rent	These tenants need some secure,why is their rent not covering outgoings	
Murray Buchanan	Transfer / sell		For ratepayers, many of whom have fixed incomes, rate rises to subsidise housing for others is fundamentally inequitable and unaffordable. Sale allows access to govt funds to subsidise rent and capital upkeep of the units to the benefit of both tenants and ratepayers.	The other options should be dropped. The capital raised from the sale and savings in ongoing staff and other internal administrative costs should then be applied to upgrading the cities infrastructure especially stormwater systems which need urgent upgrading which need will only intensify as climate change continues to take hold.
Brendon Parker	Status quo	Combination	Like the majority of other people I think the Council have already decided to sell	
Shirley Lammas	Transfer / sell		As per attached Submission	As per attached Submission
Jonathan Wallace	Transfer / sell		The current options evaluated by the Napier City Council involve either funding a deficit through rates, rent increases, or the divestment of part or all of the portfolio reducing the Councilâ€™s ability to provide support to individuals in need. None of these options are ideal. We believe that an opportunity exists to improve how the sites are utilised which we outlined in the attached letter.	
Judith GUY	Status quo	100% rates	As we urged in our submission last year to the Long Term Plan, we believe that the Council should maintain and indeed expand its current commitment to community housing. The need for affordable housing in Napier is indisputable â€“ Napier has the highest social housing waitlist per capita in the country - approximately half of the city's motels are occupied by people in emergency housing. NCC should ensure that it is "developing a community" that includes the more vulnerable in our community.	We believe that the Council should build the 45 new units as proposed without selling any of its existing villages. Affordability is key for the targeted demographic who cannot access unaffordable rentals. Rents for Council Housing need to be set in relation to income (30% maximum) rather than determined by market rate.
Greg Redington	Status quo	100% rates	This is not his feedback. Kirstin Thompson has had a phone call with him today, and he would like to be present at the meeting.	
Judith Guy	Status quo	100% rates	The Council should maintain its commitment to community housing. The need for affordable housing in Napier is indisputable â€“ Napier has the highest social housing waitlist per capita in the country - roughly half of the city's motels are currently full with people in emergency housing. The situation for vulnerable members of our community is already difficult. Selling off Council Housing would compound that further.	

Alan White	Status quo	Combination	Please see my other feedback - get our MP to do something for our most vulnerable citizens	Housing I feel Councilâ€™s and ratepayers have a shared responsibility of care for our vulnerable aged population and to accept the financial implications that go with that. It is about being part of a community and a citizen. It is ridiculous that Councilâ€™s cannot access funding, yet Trusts can I believe our local MP was approached â€" I feel he should be approached again and this should be repeated and repeated and repeated. He should not be allowed to get away with allowing such a ludicrous situation where Community Housing Providers can access funds but Councilâ€™s cannot. It his government that is constantly crying equity and fairness. Of the unacceptable options presented in the Council paper, a joint Council body or a Community Trust seem to hold some merit. I do not think the Council should be concerned with the issue of value of the land. If you canâ€™t afford to manage it, accept that that is part of the deal. It should not be a herculean task to create a safe Trusteeship with the right legal support. These are our most venerable elderly tenants and they deserve to be safely housed. This is a different community need to that of the
Tania Hutchinson	Transfer / sell		Firstly I appreciate where I live and being able to afford where I've on my own and without an accom supplement. It has been my home for over 20 years and provides me with a relatively safe place to live whilst been close to supermarkets, transport links to work The movies and town. I have almost no family and live alone so it is my base for all aspects of my simple life. If you sell them to a CHP there would hopefully be no further stress of waiting for a decision and perhaps only minor changes ie equitable rent increases and most a certainty that it was all sorted. I believe I could afford more rent but not market rent as I have been keeping an eye on options and prices. There is not if anything available. I also think the option to keep all ie the status quo with rent increases could be viable too for the same reasons as above. However to sell all with proviso for standing tennants would provide the answer for everyone and the rate payers wouldn't have to face any increases either. Ultimately I want to stay and not live with the uncertainty any longer.	
Elizabeth Barrett	Status quo	Combination	There is not enough info provided on the 3 options and cons listed, such as no increase in supply apply to all 3 so why detailed as a con? If Napier is 2nd highest, how will the demand be met in the future, none of the three options detail the solution to this! Nowhere have we been asked to consider the value of a dollar spent say for example on a pool versus the value of that same dollar spent on social housing. Nowhere has this even been mentioned. If prebensen pool is to cost $74 million but an Onekawa refurbishment could be achieved for say $30 million, then there is $40 million of otherwise planned borrowed funds which could be applied to the housing . This would provide time to do a better consultation out to the public and have the benefit of hearing the result of the review due sept 2022. Many questions are unanswered such as realistic chance of getting the rebate if change in government or particular trust structure setup. Council objective of community well being means that this level of consultation is not good enough for rate payers to make an informed decision on such an important part of councils obligations, without having more facts, such as comparing dollar spend on other council activities.	unfortunately I have run out of time to detail more absences of info , such as p2 says there are 12 villages but the info only talks of 11, selling 3 of these to leave 8. How can the sale info reflect a comment that depending on the buyer it can be a positive or negative impact. Thats an impasse, not for decision making by rate payers. Finally, there is no data on age of tenants ad whether an equivalent to WALT as known in the commenrcial proprty sector could be applied so that villages could be refurbished on a rotating basis by selecting tenants based on longevity. on the leases, Kainga Ora was originally in the same situation, with leases without lease terms, but managed to get this changed. As each new tenant comes in napier housing, a new lease which includes new lease terms could be signed, and if this is not possible, why is the info not provided in the consultations information. Too many omissions to be able to choose any other option other than the staus quo.
Noel O'Riley	Status quo	Combination		I'd be interested in what forecasting has been done on housing freed up by baby boomers as they move into residential villages and pass away. Both volumes and locations.

John Philpot	Status quo	Combination	Any property investor would be happy to own a portfolio like the NCC have. Property has been the best investment over time . If the council is loosing money on this investment then a review and a change of management or control is needed. Some of the flats could be let to people who can afford a higher rent Pensioners rents possibly raised gradually so a break even can be achieved when maintainence and other costs are met. .	Perhaps some flats could be sold. This would help pay for repairs on the remaining properties. A qualified property manager/s needs to be appointed to run the portfolio at a profit.
Deni Ewart	Status quo	Combination	Seriously with the housing shortage already beyond comprehension you are wanting to put elderly into a already broken housing system. How when you want to spend money on expanding the aquarium.	
Sandra Hall	Part retain / part sel	Combination	I feel it is our duty as a community to offer affordable housing for people who donâ€™t own their own homes. Especially as they reach retirement. Market rents are far too high in the current market. There will be an increasing number of people who arenâ€™t able to buy homes especially the next generation because prices have dramatically increased in recent years. Which will then mean as they age and become 2 person households Council housing would be their only option and give them peace of mind. As a rate payer this option is a good one for me. A $44 increase is fine if it helps the general population of this city. I am perplexed that we have had this housing for many years and a contingency budget was never set aside to maintain and rebuild ageing units and housing. I hope something like this will responsibly be set in place for the future.	
Peter Robson	Status quo	100% rent		
Jackson Callaghan	Part retain / part sel	100% rates	council should continue to operate social housing on a for-needs basis, without being worried about any potential profit/deficit potential. Social housing, especially as central government fails us, should be a priority for spending. I only choose option 3 over 1 as the current units are not in good condition, but council should ensure current residents arenâ€™t left to the forces of t he market and pushed out of their homes.	
Meru Le'Quesne	Status quo	100% rates		
Jo Webb	Part retain / part sel	100% rent		
Clinton Green	Status quo	Combination		
Linda Rose Laurent	Part retain / part sel	Combination	I would like 2 see all councils future with housing, centred only on Retirement Housing & I'd like 2 no where my rent has been spent?? At least $42,000 in first 15 years I've lived here.	
Wayne & Adele Ewart	Status quo	Combination		
Geoffrey Alan Reginald	No response		Whilst the Council contemplates the future of its housing it must be with the interest of the current tenants. The current system of rental charge seems like there is no means test on income for those renting at the current rate. There is the option of social housing and housing for the aged but a number of the houses are rented by those who are still in employment but pay hugely subsidised rent. This needs to be addressed, regardless of what option is decided on as this may be something that will arise with any prospective buyer. If the Council decided to sell under Option 3, it is imperative they protect those people currently in the villages as there is a huge risk this may not happen. Comment on the options. Option 1 - means the ratepayers will continue to subsidise or the Council can increase the rent and rely on tenants to apply for rental subsidy. Some will not be eligible. Option 2 - also poses a risk to the ratepayers and increased rents. Option 3 - before this option was considered surely there is an Option 4 which is in the Statement of Proposal i.e. and that is the regions councils pool their portfolios and form a Regional Housing Trust which will then enable them to have access to IRRS with the Council being able to influence the purpose and objects of any such trust. The review of 2018 offered this option i.e. by entering in to a partnership with a CHP who would then be able to access the IRRS. I consider the undisclosed Option 4 as the most favourable option as it seems the Council is in no position to accept either Option 1 or 2 without huge cost to the rate payer or tenants. And it still not be eligible for IRRS but one would wonder why this has not been pushed more rigorously to Government in the past and current time? One huge question is if	

Iris Margaret de Winter	Transfer / sell		I'm opting for this option purely on a financial basis. BUT what guarantee do we have that the villages won't be onsold with increases to rent. And will they be sold with or without needed maintenance.	Status Quo - if operated correctly I can't see why there should be shortfall. Part Retain/Part Sell - This would be my preferred choice but $272 per week from pension is an impossibility. I think Council is aware of this and therefore pushing us to vote No 3 option. I have done basic sums based on last 4 years. Council have advised this is when rents were ringed to opt back to villages maintenance. It would be interesting to know how income from rents were spent before 2018. 377 units x $250 per fortnight approx = $94,250 x 26 fortnights = $2,450.500 per year x 4 years 2018/19/20/21 = $10,000,000 approx. That adds up to a lot of maintenance. I. deWinter 17th April 2022.
Norma Joan Layton	Part retain / part sel	Combination	Seems the best option.	
Murray Bedingfield	Status quo	100% rates	They are paid off. Unwise to sell assetts. Think of elderly.	
Belinda Moore	Status quo	100% rates	Think of the elderly and the frail, to sell would be short sighted and lacks forward thinking.	
Gregg Redington	Status quo	100% rent	No brainer. Common sense to keep a cash cow. Common sense to keep ownership.	
Gregg Peter Redington	Status quo	100% rent	Common sense to keep. Why sell a cash cow for no financial or social benefit. There is no real reason to sell. Common sense needs to apply. No need to sell a cash cow.	Upgrades & maintenance can easily be funded by income with a short term loan funded by income - common sense.
Nigel Lever	Part retain / part sel	No response		
Jodie Anne Kinnear	Status quo	100% rates		
Gaylene Valerie Webb	Part retain / part sel	Combination		
Suzette Rubick	Transfer / sell		I came to the meeting and this first two options you would still be in debt and I would struggle to pay rent that high.	I would prefer if there was an option four where the council took responsibility for there houses and figured out ways to cover the shortfall that did not involve the residents or rate payers having to pay up and that it remained the same. Maybe look at the spending elsewhere like the playground to be rebuilt next to me. The playground does not get any kids hardly as it is, also hopefully the board at the back of the basketball hoop is not glass as if it will be vandalised at 1500 to fix? So I figure this project might help the housing instead, as I'm sure there could be other ways.
Angela Denly	No response		Can't tick one, as all options have their pros and cons. Status Quo sounds unsustainable currently. Retains land/housing in council ownership. Local Govt reform may present new opportunities. At this point, no upgrades/additional housing funded. Change current rent formula. Part retain/Part sell. Some income for new development. Greater engagement with maha whenua. Potential to decrease costs to NCC over time. Retaining most of land/housing for NCC but narrowing eligibility of tenant types. No added housing/upgrades. Local Govt reform opportunities. Transfer. Sale/lease with tight protection for tenants. Leasing unsustainable. Other councils have successfully sold with covenants. Small cost to ratepayers. Loss of land/buildings. Trust - no sale proceeds to council. Community's ownership.	The situation is a dilemma! No clear 'best option' at this point. Improving community well-being must be supported by Council as we know the demand is growing. Idea that local councils develop a housing trust requires further investigation and consideration. Do your research re other NZ city councils methods of tackling this issue eg how have Palmerston North managed to afford to build more.
Valerie Smith	Status quo	Combination	Rates/Rent 60/40. $45.00 increase in rent = $172.00 p. week. 35% of tenant income. This is more acceptable than a higher ratio of outgoing rent for retirees.	
No response	Status quo	100% rent	Things to remain as they are	What happened to rent money that were saved for flat maintenance?
Ian Vincent Millin	Transfer / sell		This would be the best outcome for (a) Tenants, (b) NCC Ratepayers.	
Andrew Parkinson	Status quo	Combination	See attached	

Gaile Thompson	Transfer / sell		To me it appears that NCC has not followed through on maintaining their assets eg Aquarium, Ocean Spa etc. Never any mention of how much their mistakes have cost such as repairs to Humber St units and West Quay. Best and fairest option for all to be bought by a C.H.P. Too complicated on looking at all the variations. Rather than $100 increase in rates. So many upkeeping, water, Pandora outflow - how much?? Many.	1. Firstly I am thankful to be housed by NCC. 2. Do consider, still however that local government such as NCC have a moral and civic duty to provide community housing. Perhaps it could follow the way that council housing is handled in the UK (look outside the box). 3. If by chance NCC is able to build new community housing from the sale of current properties a much better fiscal approach for maintenance and upkeep be budgetted in future. 4. Still see it as a cop out if rents are increased in the future with expectation that MSO will give IRR. 5. It concerns me how much wastage of proposals have cost and then not followed through. 6. To hear rate payers in conversation that they vote for the candidate who offers not to increase the rates - this is bizarre as all properties need money to be maintained. 7. Am angry and annoyed to find how for myself and other tenants our fate is taking this path. 8. On seeing this week how there are to be new parking meters?? What are NCC's priorities?
Mark Fay	Status quo	Combination	We should be looking after our elderly community that rely on housing.Keeping them will give stability for these people	
Adrian Young	Transfer / sell		Sell down properties where land has appreciated significantly like westshore to fund maintenance of left over stock with long term plan to sell all housing in next 5-10 years.	Sustainability needs to be the focus of these investment decisions. There should be a shift in age populations to support the sell down.
JAWAD ABOU ARESH	Transfer / sell		I am fine with option of sell or transfer the housing to new entity as far as my rent and rates stays same. also it will be good to see if any facilities improve.	NO
Miles Michael Shepherd	Status quo	Combination	My extended family pay rates on 4 properties in Napier. My wife and I are both charged rent but to save money send a team around to promote euthanasia this will reduce the number needing help. I suspect that part of our problem is budget and money wasted by unwise decisions made by the Council. Considerations of a swimming pool... really? before thinking about the older community!! Speed bumps being built, oh, bad design, demolished and re-build. Money, manpower all wasted!	Re-roofing umpteen units (earthquake danger being the reason), then stopping short of a few?? Why? Let those ones die! Re-furbishing flat no 13 four times (4) in the space of 10 years - how much spent on materials and manpower?! Yet flat no 2 has virtually had nothing spent on it in the same timeframe (10 yeas+). We were offered it with wall paper peeling off and the place filthy. We got stuck in and cleaned it with cleaning agents and elbow grease! The list could go on... please council don't overspend.
Rachel Mary McIntosh	Status quo	100% rent	keep it as is	
Dave o'Neill and Valeri I	Status quo	No response	Neither of these. I believe there is no shortfall of $2.2 million when in a year you people receive 3.5 million in rent a year. The Councillers and mayor are only the caretakers of the Council and must obey the wishes of the people of Napier. The people of Napier will want the housing section to remain as the same with no sale. The elections will tell all. What the public need to see is a itemised account of the housing section. Rents paid in, and out going expenses.	
Shelley Ferguson	Status quo	Combination		If going by previous asked for submissions we all know that the Council had already decided the outcome and it was just a case of going through the motions. I suspect the end result of this submission has already been decided and that is you will sell all properties.
Rev Brenda Parker	Status quo	100% rates	Combination Or 100% rates. Full audit of dept over pass 10 years. Full explanation where profit from rent has gone. Steps towards better management of rental income. Bullying of tenants an issue. Breaching clients privacy an issue. Treaty of Waitangi issue and non NZ staff members.	

Nicholas Eddy	Transfer / sell	Councils traditionally have been in the business of providing community houses and being a responsible business for society. Unfortunately it now needs to rethink albeit remove itself from this arm of its business. The costs for propping them up distributed across ratepayers is too high. If they have not been depreciated for sufficiently and now there are shortfalls, it is time for other options to be considered.	Borrowing to cover shortfalls is not a sound strategy even in the short-term. I completely understand the emotive argument to support the elderly and those with disabilities, however I do not see this as a Council objective on its own. The NZ government over many years has failed to ensure the infrastructure and supports are in place and doing a reasonable job of looking after vulnerable NZers. It should not fall to Councils (or rate-payers) to take on this social cause. This is a national issue and enables through lack of cohesive government strategy over decades regardless of which party or parties dominate Parliament. To live and exist in NZ is outrageously costly compared to many other developed nations. The rental cost is equally dismal. However a Council owned asset must stand on its own two feet, it needs to cover its costs, depreciate for the future and be reliant on its own entity. None of the three Council proposed options are going to resolve the matter for the people who reside there now or in the future. However I feel the best solution is to allow for social agencies to step in and own/manage and run such assets as they are better poised to handle such issues as opposed to rate-payers who are mindful of ever increasing costs and increases that do not keep in line with wages nor living costs.
Isla Helen Marple	Transfer / sell	If you do this option we need to be kept informed with information on who has bought the village	
Natalie June Maddock	No response	Which ever is going to be the cheapest especially for residents on pension. We can't afford $450 per week that's our pension gone then there is no money for food, power, etc.	
Judith Taylor	Status quo	[Attached, submittion from Jennifer Rouse]	
Graeme Kirby	Part retain / part sell	[Attached, submittion from Jennifer Rouse]	
Maggie	Status quo	[Attached, submittion from Jennifer Rouse]	

PUBLIC EXCLUDED ITEMS

That the public be excluded from the following parts of the proceedings of this meeting, namely:

Agenda Items

1. Supplementary Information

The general subject of each matter to be considered while the public was excluded, the reasons for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution were as follows:

General subject of each matter to be considered.	**Reason for passing this resolution in relation to each matter.**	**Ground(s) under section 48(1) to the passing of this resolution.**
Agenda Items		
1. Supplementary Information	7(2)(g) Maintain legal professional privilege	48(1)A That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist: (i) Where the local authority is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.