

3 MAR 2020



Thank you for your email dated 21 February 2020 requesting the following information from Kāinga Ora – Homes and Communities, under the Official Information Act 1982 (the Act):

*Please advise who the lender is for the \$2.9 billion to build state housing that Treasury advises against borrowing.*

I have considered your request and can advise you that there is no single lender providing a loan to Kāinga Ora. As announced on 16 January 2020, in order to raise funding for its build programme, Kāinga Ora has issued bonds for \$2.5 billion over the 2020 calendar year, on top of the existing \$2.3 billion in bonds it had issued as at 31 December 2019.

Known as Wellbeing Bonds, they are aligned with the New Zealand Treasury's Living Standards Framework, and help to reinforce Kāinga Ora's focus of supporting New Zealanders.

Also known as medium term notes, these bonds are sold to a number of wholesale investors, who are then free to sell these bonds on the secondary market. Since Kāinga Ora does not have visibility of who the buyers are on the secondary market, the exact composition of investors that own Wellbeing Bonds can vary at any given time.

However, I can inform you that at the wholesale level, the majority of buyers for Kāinga Ora bonds have been New Zealand based banks. A comparatively smaller amount of bonds have been purchased by New Zealand asset management firms and an even smaller amount by overseas investors.

For more information about the January 2020 issue of Wellbeing bonds by Kāinga Ora you can visit <https://kaingaora.govt.nz/investor-centre/>.

I trust this information is useful.

Yours sincerely



Rachel Kelly  
**Manager Government Relations**