

28 MAY 2019



Thank you for your email of 30 April 2019 asking the following questions relating to KiwiBuild and the Marfell development.

Questions for Housing New Zealand

1. *Is this the first KiwiBuild development you have been involved in?*
2. *Why was Marfell chosen as an area to develop KiwiBuild homes?*
3. *How was the land obtained, what was its previous use?*
4. *How were property developers selected for this project?*
5. *What contract exists between Housing NZ and property developers?*
6. *How were designers/architects chosen for this development?*
7. *What guidelines/project brief is given to architects/designers?*
8. *What is the process behind deciding the pricing of a KiwiBuild home?*
9. *How is the criteria for potential buyers established?*
10. *What is the process for establishing buyer priority?*
11. *What is Housing NZ's involvement during the construction process?*
12. *How does Housing NZ select appropriate contractors to complete the development?*
13. *What challenges does Housing NZ face from inception to completion?*
14. *Do you have any recommendations around how KiwiBuild can be improved?*

Questions for main contractor

1. *Is this the first housing development you have been involved in?*
2. *If not, what other developments have you been involved in and how do they compare?*
3. *How did you become involved in KiwiBuild?*
4. *What form of contract was used between Housing NZ and yourselves?*
5. *What incentives/motives make KiwiBuild attractive?*
6. *How do you maximise profit on a KiwiBuild project?*
7. *What was the process taken selecting a main contractor?*
8. *Is the project to be staged and why?*
9. *Did Housing NZ have any nominated subcontractors?*
10. *What challenges does KiwiBuild pose?*
11. *How do you believe KiwiBuild can be improved?*

I have considered your request under the Official Information Act 1982 (the Act).

On 6 May 2019 you were notified that questions 8, 9, 10 and 14 were transferred to the Ministry of Housing and Urban Development. Answers to your remaining questions are provided below.

Questions for Housing New Zealand

1. Is this the first KiwiBuild development you have been involved in?

This is the second KiwiBuild development that Housing New Zealand has been involved in. The first was at McLennan in Papakura, Auckland. More information about McLennan is available at <https://www.mclennan.co.nz/>.

2. Why was Marfell chosen as an area to develop KiwiBuild homes?

Marfell is an area with a high concentration of state housing and low home ownership rates. KiwiBuild is a positive way of regenerating the suburb and making homes available to first home buyers.

3. How was the land obtained, what was its previous use?

The land was previously used for state housing. These houses were of a type, age and configuration that no longer met social housing needs and were demolished. They will be replaced by sixty eight new three and four bedroom homes.

4. How were property developers selected for this project?

The civils portion of the development was tendered through a two stage process:

- Stage 1 - Open request for Registration of Interest (ROI)
- Stage 2 – Closed request for proposal with respondents shortlisted off the ROI

The construction of the first 27 units was tendered from Housing New Zealand's Regional Development Panel. All current panel members are evaluated on the following criteria: finances, insurance, health and safety, company capability, track record and capacity (specific to the regions they have selected).

5. What contract exists between Housing NZ and property developers?

For the civil works contract we use the New Zealand standard form of contract: NZS3910:2013 May 2017 Construct only Civils Works Contract – Measure and Value.

The construction contract is still under negotiation.

6. How were designers/architects chosen for this development?

Housing New Zealand did not employ Architects as we are entering Design Build Contracts with our build partner.

7. What guidelines/project brief is given to architects/designers?

We have utilised our standard house designs for the Resource Consent and it is these standard designs that form the design brief for the builder's architect.

11. What is Housing NZ's involvement during the construction process?

Housing New Zealand's Project Manager and Development Manager manage the contractors in line with the NZS3910 contract, including quality assessment controls, health and safety, programme, budget, design review and public relations / communications through delivery.

12. How does Housing NZ select appropriate contractors to complete the development?

Contractors are required to meet certain requirements to be appointed to an approved panel. Contractors on the approved panel submit proposals to Housing New Zealand, which are assessed and a selection made.

13. What challenges does Housing NZ face from inception to completion?

There are a number of challenges in any development, including weather, ground conditions, supplier capacity and market changes. Housing New Zealand plans for all perceived risks and puts mitigations in place.

Questions for main contractor

Housing New Zealand discussed your questions with our builder for the development's first 27 homes (Mizak Homes). Responses are provided below. Please note that some responses are best addressed by Housing New Zealand.

1. Is this the first housing development you have been involved in?

No.

2. If not, what other developments have you been involved in and how do they compare?

Mizak Homes has worked on other Housing New Zealand developments in Taranaki and private developments. Please note that the second part of your question asks for opinion. Opinion is not official information and no response was provided.

3. How did you become involved in KiwiBuild?

The construction of the first 27 home was tendered. Mizak Homes has a good reputation with Housing New Zealand with successful delivery of previous contracts. Mizak Homes has also given support to KiwiBuild early in the project planning stage.

4. What form of contract was used between Housing NZ and yourselves?

Please refer to Housing New Zealand's response.

5. What incentives/motives make KiwiBuild attractive?

Please note that this part of your question asks for opinion. Opinion is not official information and no response was provided.

6. How do you maximise profit on a KiwiBuild project?

No response was provided to this question. Please note that this is the commercial information of builder. Disclosing it would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information. I do not consider there are any factors which would render it desirable, in the public interest, to make the information available.

7. What was the process taken selecting a main contractor?

Please refer to Housing New Zealand's response to question 4.

8. Is the project to be staged and why?

Yes it is. There are 27 houses being completed as part of stage 1.

Staging the build contract allows us to build earlier. As areas of civil works are completed, building teams can commence work while further sites are serviced. Staging also allows our building contractor to handover a portion of houses as they are completed.

On this specific project, council is also carrying out a road upgrade, which will assist with capacity for the overall development, but with phasing we can still complete the first phases if the road is not yet complete.

9. Did Housing NZ have any nominated subcontractors?

No.

10. What challenges does KiwiBuild pose?

Please refer to Housing New Zealand's response to question 13.

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

Yours sincerely



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