



20 DEC 2018

Ref: DOIA 1819-027

Matthew Hooton

fyi-request-8993-abb59daf@requests.fyi.org.nz

Dear Mr Hooton

I refer to your email of 5 November 2018 to Hon Phil Twyford, Minister of Housing and Urban Development, requesting, under the Official Information Act 1982 (the Act), the following information in relation to the Group Home Builders Initiative:

1. *All information provided to those who registered for and/or attended the market briefing. This includes all presentations, notes, handouts and / or talking point for speakers.*
2. *All notes taken by officials during the market briefing.*
3. *Any follow up documents or reports prepared by officials for other officials, ministers and / or briefing participants.*

On 6 November 2018, your request was transferred to the Ministry of Housing and Urban Development (the Ministry) for response.

In response to parts one and three of your request, five documents are within scope and are released to you:

- The presentation used at the Group Home Builders (GHB) Initiative meeting on 30 October 2018.
- Copy of questions and answers that were asked and answered during the meeting.
- Email of 31 October 2018 sent to attendees.
- Email of 1 November 2018 sent to those that registered but did not attend.
- Email of 6 November 2018 sent to attendees.

Email addresses of those that registered but did not attend have been withheld under section 9(2)(a) of the Act, to protect the privacy of natural persons.

In terms of section 9(1) of the Act, I am satisfied that, in the circumstances, the decision to withhold information under section 9 of the Act is not outweighed by other considerations that render it desirable to make the information available in the public interest.

In response to part two of your request, I can confirm that no notes were taken by the 20 officials that attended the Group Home Builders Initiative meeting, so this part of your request is refused under section 18(e) of the Act, as the information requested does not exist.

You have the right to seek an investigation and review of my response by the Ombudsman, in accordance with section 28(3) of the Act. The relevant details can be found on the Ombudsman's website at www.ombudsman.parliament.nz.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Brad Ward', written in a cursive style.

Brad Ward
Head of Office of the Chief Executive
Housing and Urban Development

Documents released under DOIA 1819-027

Ref #	Document Date	Document Title	Sections of the Act used
1	30 October 2018	Presentation: Group Home Builders initiative	N/A
2	30 October 2018	Questions and Answers	N/A
3	31 October 2018	Email: Follow Up: Group Home Builders Meeting	N/A
4	1 November 2018	Email: Group Home Builders Briefing – 30 th October	9(2)(a)
5	6 November 2018	Email: Group Home Builders Briefing Feedback	N/A

Group Home Builders Initiative

TUESDAY 30 OCTOBER 2018

New Zealand Government



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Agenda

Introduction	Andrew Crisp
Welcome	Minister Twyford
Context	Stephen Barclay
Strategies to enable KiwiBuild	HLC/KiwiBuild
Break	
The KiwiBuild Targets	Stephen Barclay
The KiwiBuild Partnership	Stephen Barclay
Break	
How do we forward	HNZ/HLC/KiwiBuild
Q&A	KiwiBuild team



New Zealand Government

- The afternoon is broken into three parts
- Part 1 (1 hour and 30 mins) is about the government's affordable housing programme: KiwiBuild
- We will present the scale of government's objectives, how we will achieve the objective and the current methods we have to deliver KiwiBuild houses.
- We finish the first session outline the powers of the new Urban Development Authority and how it will help us achieve our goals.
- Part 2 (30 mins) is specifically about how we work together, the KiwiBuild team and the Volume Builders, over the next several years for mutual benefit.
- Part 3 (1 hour) we finish up with plenty of time for questions and answers and bring the formal part of the day to a close with Next Steps.

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Chief Executive

Ministry of Housing & Urban Development

Andrew Crisp



Minister for Housing and Urban Development

Honourable Phil Twyford



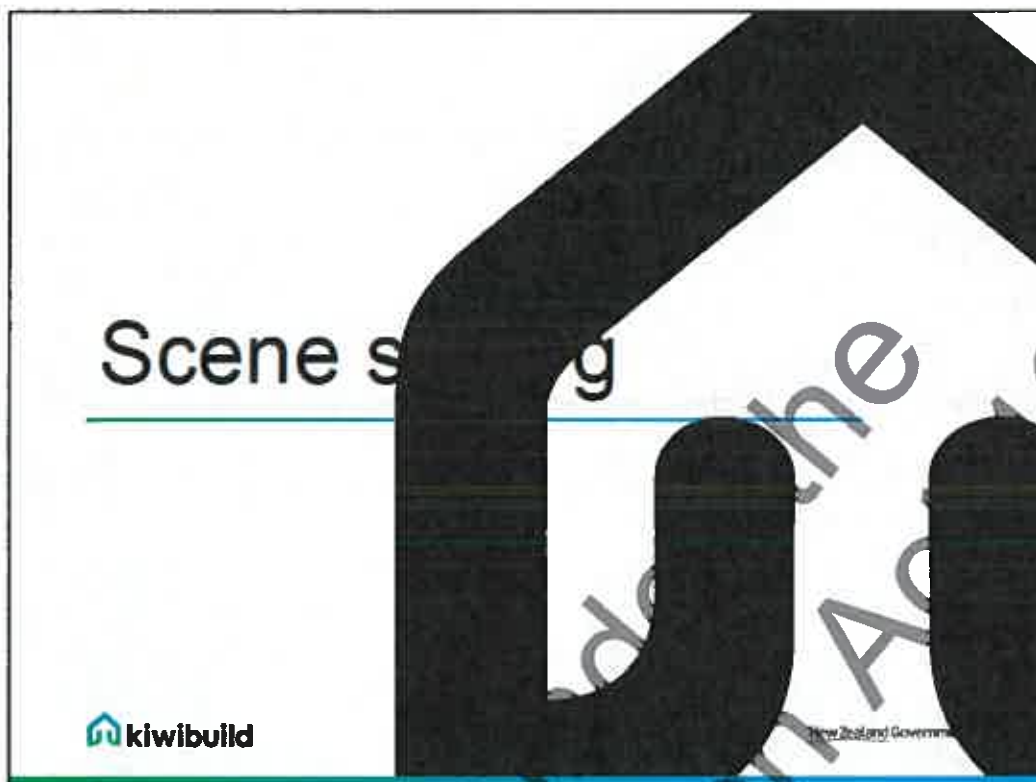
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Head of KiwiBuild

KiwiBuild Business Unit

Stephen Barclay





Good Morning

Over the past several weeks I've met many of you to discuss KiwiBuild and how we can work together to achieve our mutual goals.

Today is about reconfirming what you heard at those meetings as well as adding some detail. We wanted to do this together so everyone receives the same message.

... and that message is that we want to enter into a multi-year deal with you to deliver significant volumes of KiwiBuild houses

... and not only that, we want to sign a heads of agreement with you by Christmas.

But first a little context!

The targets

- 1,000 KiwiBuild by 30 June 2019
- 5,000 KiwiBuild by 30 June 2020
- 10,000 KiwiBuild by 30 June 2021

- and then 12,000 KiwiBuild homes annually



New Zealand Government

You all know the KiwiBuild target: 100,000 houses in 10 years.

That averages 10,000 per year.

Our current total residential dwellings consented is about 30,000 including apartments.

So, on the face of it we need to add about a third to that to get an extra 10,000 KiwiBuild.

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But, KiwiBuild dwellings are (generally) part of a mixed development

10,000 KiwiBuild actually means circa 25,000 dwellings

Most Large Developments



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But on larger developments, KiwiBuild is part of a mix of housing: market, affordable and social

Let's say KiwiBuild (the affordable component) is on average 40% of the mix

That means that to achieve 10,000 KiwiBuild we need to build 25,000 dwellings

I find that quite sobering when I compare that to our current consents at 30,000. Even if we cannibalise the current construction, by any measure we need to significantly increase the volume of new builds across the sector

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Government strategies to enable this level of development

- (Government) Land for Housing
- HNZ/HLC: land availability via regeneration
- Private large scale projects (> 2,000 dwellings)
- KiwiBuild Underwrites
- Urban Development Authority



New Zealand Government

The government has initiated several strategies for us to achieve our goals

- Land for Housing or KiwiBuild Land Supply – the old Crown Land for Housing programme now expanded to enable acquisition of private land
- HNZ's regeneration programme led by HLC
- Large scale projects on private land – by large we mean 2,000 to above 10,000 dwellings
- The KiwiBuild underwrites you are participating in or have heard about
- And the Urban Development Authority I spoke to a number of you about.

We will now give you a high level summary of each of these.

Land for Housing

Matt Fraser
Manager, KiwiBuild Land Supply

Matt.fraser@kiwibuild.govt.nz



Land for Housing is

- An extended mandate of the Crown Land Development programme
- Purchases land from either Crown Agencies or private vendors
- On-sells that land to developers and then contracts those developers to rapidly provide new housing



New Zealand Government

- Land for Housing (LfH) was formed in December 2017 - a brand of the Crown Land Development programme (est. in 2015) with extended mandate to:
 - other parts of New Zealand (i.e. beyond Auckland and Queenstown); and
 - enable the programme to acquire and on-sell privately owned land.
- LfH purchases available land in suitable locations, from either Crown agencies or from private vendors, on-sells that land to developers, and then contracts those developers to rapidly provide new housing
- The Government's objectives for housing delivery across the LfH is:
 - 20% public housing and 40% KiwiBuild housing;
 - Housing delivered at pace; and
 - Increase in total supply.
- Targets are at a programme level - minimum requirements for any one site is at least 30% of the new housing to be either public or KiwiBuild housing.

What we have achieved to date

- Established a panel of developers in Auckland
- Acquisition of six sites in Auckland; three sites in Christchurch; one acquisition in Queenstown
- Negotiations to acquire a further three sites in Auckland and Tauranga
- Collective yield of circa 6,100 houses



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 New Zealand Government

A proactive working relationship with the 13 Auckland iwi that represent Ngā Mana Whenua o Tāmaki Makaurau, Ngā Potiki and Ngāi Tahu properties.

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How it works

- Land for Housing purchases the land
- Land for Housing sells the land to a developer
- The developer uses its own capital to develop the land



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How it works:

- If the land is subject to a right of first refusal under a Treaty settlement, then iwi will be offered the land first.
- For sites that are not subject to Treaty settlements, or which iwi do not take up the opportunity to develop, can be offered to any suitable developer in an open procurement process that meets the requirements of the Rules of Government Sourcing.

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HNZ/HLC: land availability via regeneration

Chris Aiken
Chief Executive HLC





Opportunities Available Now

- Large City Regeneration projects
- KiwiBuild targets by negotiation – minimum 40%
- KiwiBuild Support package may be available
- Builder terms

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Private Large Scale Projects

Kerrie Young
Manager, Large Scale Projects

Kerrie.young@kiwibuild.govt.nz



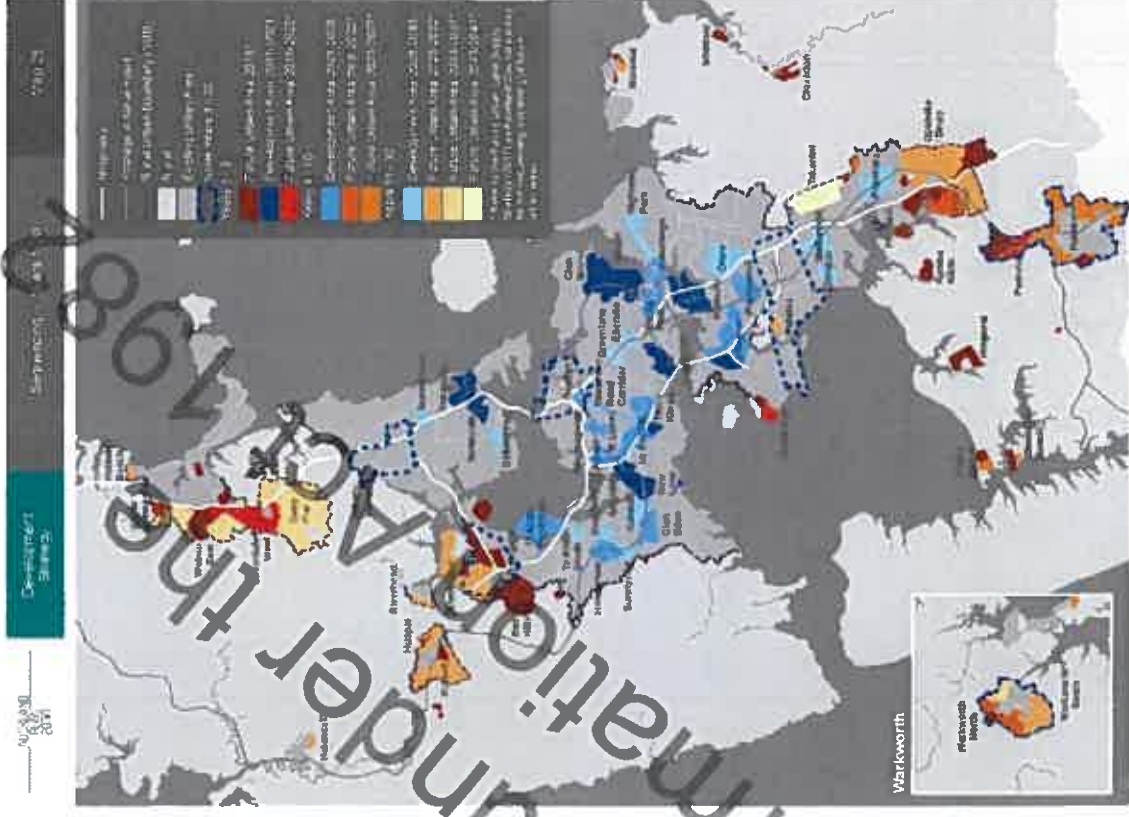
What is a Large Scale Project?

- Is there a definition?
- Strategic Development Projects
- Inner Urban Opportunities
- Greenfield in Growth Corridors
- New suburb or Town scale is KiwiBuild work stream

Brownfields Projects

- Make better use of existing infrastructure
- Upgrade to accommodate greater density
- Provide additional facilities to support dwelling density

Greenfields Projects and Master- Planned Communities



Unitec

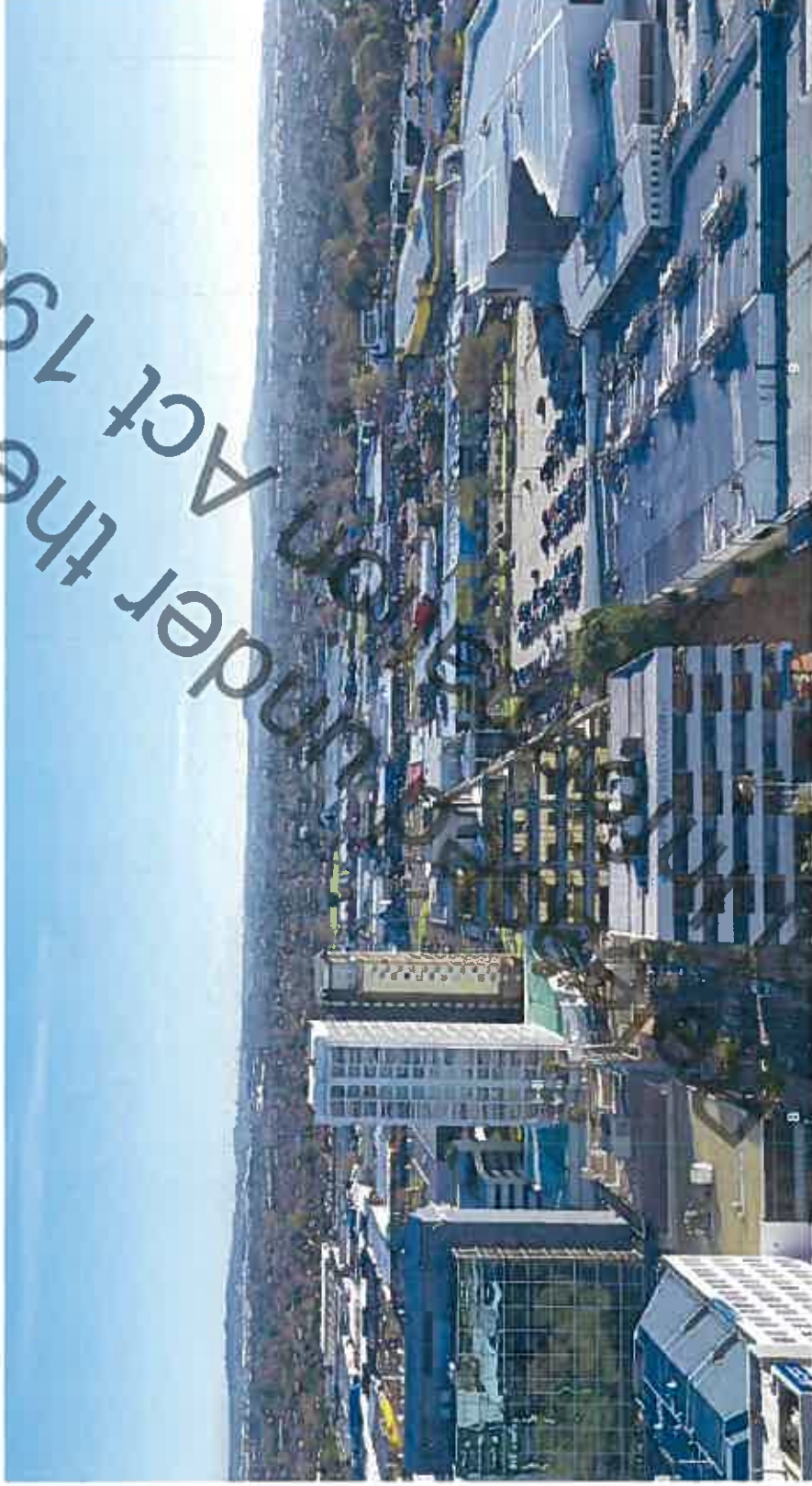


 **kiwibuild**

New Zealand Government

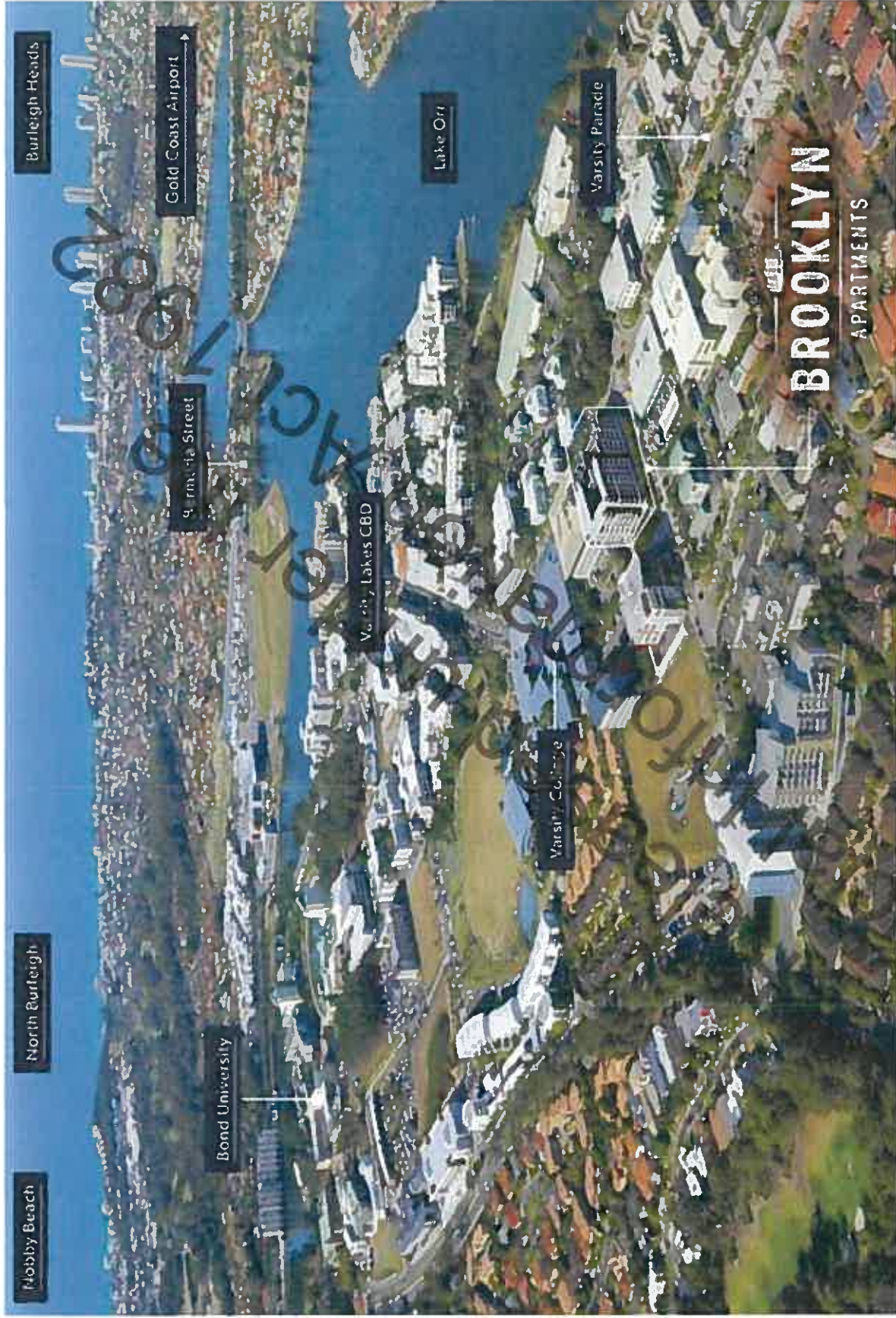
Transform Manukau

Official
under the
Act 1982



Town Centre Regeneration





Official Information Act 1982

KiwiBuild Underwrite

Murray Smith
Manager, KiwiBuild Underwrite

Murray.smith@kiwibuild.govt.nz



What is the KiwiBuild Underwrite?

It's a Backstop purchase

- Marketing and sales process as normal
- Dwellings sold:
 - first to eligible buyers – via the ballot;
 - then to any buyer; and
 - then the Underwrite kicks in.



New Zealand Government

It's a Backstop purchase:

- The Developer actively markets the KiwiBuild dwellings, together with their open market product
- The KiwiBuild Unit provides the Developer with buyers from the KiwiBuild ballot
- Currently 45,000 potential buyers have registered their interest with KiwiBuild
- If no KiwiBuild buyers purchase the dwelling, the Developer can then sell the property on the open market at an agreed price
- If the dwelling still remains unsold after both CCC and title are issued, the Developer has an option to put the property back to the Crown at a pre-agreed price
- The option exercise price varies deal by deal, and is a function of market price and forecast sales velocity
- Option agreement documentation is currently being standardised across all major trading banks

How do developers access the Underwrite?

- Via the Invitation to Participate (ITP) in KiwiBuild 'Buying off the Plans' initiative
- Requirements:
 - A track record
 - Access to development-ready land
 - In KiwiBuild priority areas



New Zealand Government

- Via the Invitation to Participate (ITP) in KiwiBuild 'Buying off the Plans' initiative
- For experienced developers that have residential access development-ready land and who are willing to adapt an existing development to delivery turnkey affordable KiwiBuild dwellings.
- Especially in our priority areas, namely Auckland, Wellington, Hamilton, Napier-Hastings, Queenstown-Lakes District, Tauranga, Whangarei District and Nelson-Tasman

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Urban Development Authority

Di Anorpong
Manager, Urban Development



Urban Development Authority

- New lead government development agency
- Proposed large scale project powers
 - Land assembly – compulsory acquisition & reserves
 - Planning and consenting
 - Infrastructure
 - Funding
- Coordinated process



New Zealand Government

The new UDA will fast-track major greenfield and urban renewal projects while working with local government, iwi and the private sector

Critical to enable the development of Large Scale Projects

Proposed powers

- Compulsory acquisition under the Public Works Act
- Re-zoning
- Consenting
- Infrastructure funding

Decisions cannot be challenged

- process can be challenged

Urban Development Authority

- New lead government development agency
- Proposed large scale project powers
 - Land assembly – compulsory acquisition & reserves
 - Planning and consenting
 - Infrastructure
 - Funding
- Coordinated process

UDA - Timeline

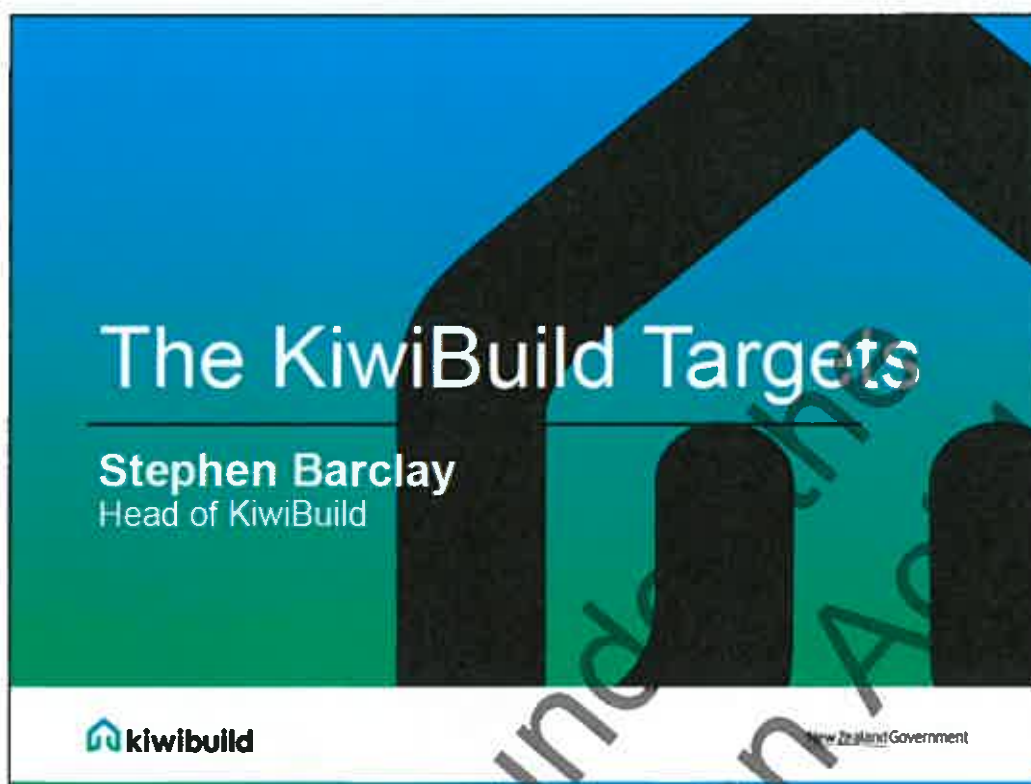
- Cabinet decisions – in process by end 2018
- Legislation introduced to Parliament – second quarter 2019
- Legislation passed – end 2019

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Act 1982

BREAK (15 minutes)





The session is broken into two parts: the KiwiBuild targets and the KiwiBuild deal we are proposing.

First the KiwiBuild targets over the next few years.

How will we achieve the targets?

- 1,000 KiwiBuild by 30 June 2019
- 5,000 KiwiBuild by 30 June 2020
- 10,000 KiwiBuild by 30 June 2021
- and then 12,000 KiwiBuild homes annually





New Zealand Government

By now you will all know our KiwiBuild targets

- 1,000 KiwiBuild by 30 June 2019
- 5,000 KiwiBuild by 30 June 2020
- 10,000 KiwiBuild by 30 June 2021
- and then 12,000 KiwiBuild homes annually until 2029

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We need to break down the problem

- Focus on the year 1 and 2 targets
 - Buying Off the Plans — 
 - Group Builders — 
 - Land 4 Housing — 
 - Housing NZ — 
- Focus on the preparatory work for years 2+
 - Large Scale Projects (LSPs) requiring UDA powers
 - Other large projects



New Zealand Government

So let's focus on years 1 and 2 before we look to future years

As you have already heard, we have a number of strategies to deliver our targets:

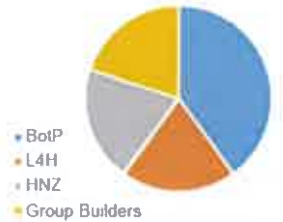
- KiwiBuild Underwrite or Buying off the Plans
- This includes a number of deals with you guys
- Land for Housing via KiwiBuild Land Supply
- And also KiwiBuild via our colleagues at HNZ – like the McLennan project that featured in the news on the weekend.

We are also doing some preparatory work on what needs to happen from years 3 onwards.

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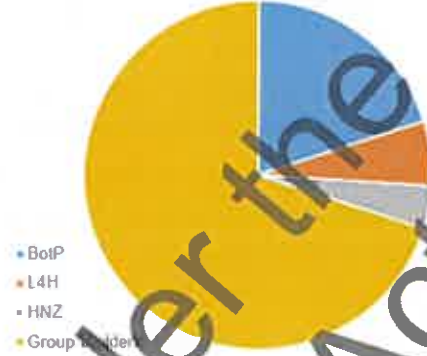
How years 1 and 2 might be delivered

2018/19 Houses



1,000 dwellings

2019/20 Houses



5,000 dwellings

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By June 2019 we need to have delivered 1,000 KiwiBuild dwellings.

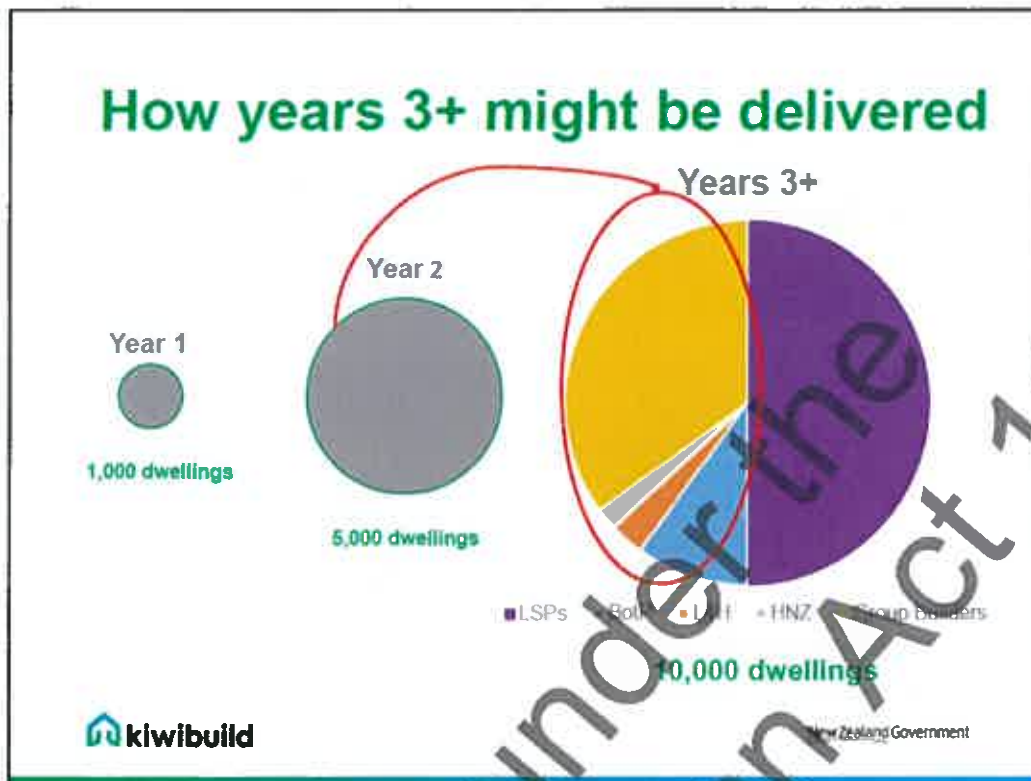
By June 2020 that number rises to 5,000.

We are well on our way to deliver our first year target of 1,000 via:

- 400 from the KiwiBuild underwrite
- 200 from you guys
- 200 from the Land for Housing programme
- And 200 from HNZ

The following year is a different story. We would like you guys to deliver the build of the 5,000. It could look like this:

- 3,500 from you
- 1,000 from one off developments with other developers/builders
- 300 from Land for Housing
- 200 from HNZ



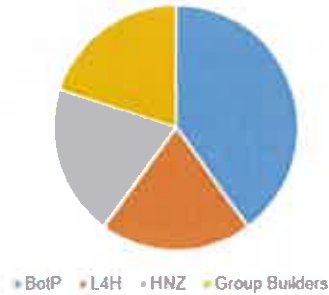
And just to pre-empt a question, that volume from year two continues to underpin our bigger volumes from years 3 onwards.

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Let's focus on year 1 and 2

Year 1 we will get there via our current initiatives: buying off the plans, Land for Housing and Housing NZ

2018/19 Houses



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Let's keep the focus on years 1 and 2.

As I said, we are a long way down the track to deliver year 1.

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Year 2 we need your collective help

Here's the KiwiBuild math's

- Take a Group Builder who has say 35 franchisees or branches across the country
- Each franchisee or branch builds an extra KiwiBuild dwelling every month (say 10 a year)
- That's 350 extra KiwiBuild dwellings a year from that Group Builder
- Multiply that by 10 Group Builders: that's 3,500 houses you collectively deliver every year



The New Zealand Government

...but year 2 we need your help.

There are a couple of models we have been thinking about: the model that leverages the franchise or branch networks and the model that focuses on large developments.

Regarding the franchise or branch network, the maths is simple

- Take a Group Builder with 35 franchises
- Each franchisee delivers one extra house per month – say 10 a year
- That's 350 in a year for that Group Builder
- Multiply that by 10 Group Builders and we have 3,500 new KiwiBuild dwellings

I acknowledge the example is oversimplified but the point I am making is that KiwiBuild can leverage the capacity in the room if we all play a part.

But some of you don't have national networks

The theory still holds:

- Substitute the 'national network' with your large developments
- Increase KiwiBuild dwellings versus market dwellings and participate in the KiwiBuild sales underwrite



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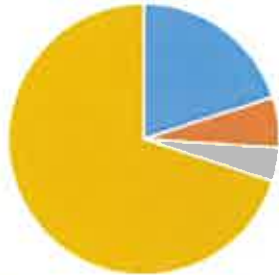
Regarding large developments, maybe the opportunity exists to remix the yield to increase KiwiBuild outcomes.

We will underwrite the purchase of every one of the KiwiBuild dwellings.

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What does all this mean?

2019/20 Houses



• BotP • L4H • HNZ • Group Builders

It means the Group Builders in this room could deliver the bulk of KiwiBuild's 2nd year target of 5,000 homes.

5,000 dwellings

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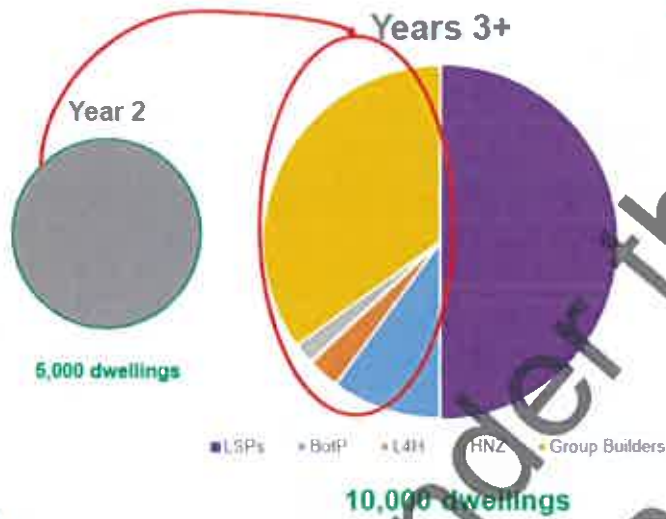
New Zealand Government

So, what does all this mean?

Simply put, you guys could deliver the bulk of the KiwiBuild year 2 target...

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... and keep on delivering these volumes for the next several years!



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... and you could continue to grow your volumes for years to come.

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- I will give you our thoughts on what a deal could look like

The Deal*:

KiwiBuild will enter into 5 year contracts with **ALL** Group Builders who can deliver more than 150 homes a year

- KiwiBuild will eliminate sales risk by underwriting the sale of all KiwiBuild houses that meet the price point and are sold to eligible purchasers

* Subject to specific negotiation and agreement



New Zealand Government

- KiwiBuild will enter into a five-year deal with Group Builders who can deliver volumes greater than 150 p.a.
- The two major risks you face are sales risk and delivery risk:
- KiwiBuild will solve the sales risk by KiwiBuild underwriting the sale of all KiwiBuild houses that meet the price point and are sold to an eligible buyer.

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Partnering with us provides...

- KiwiBuild with certainty of delivery - we know we can count on the volume
- You with multi-year production certainty
- Enabling you to grow your capacity knowing the product **WILL** be sold
- And together we increase the capacity of the construction sector



New Zealand Government

- In return, KiwiBuild gets certainty of delivery - we know we can count on the volumes;
- You need multi-year certainty of the deal to add capacity. The deal gives you that
- You also need to know that this increased output will be sold at a known price. The deal also gives you that.
- Finally, the deal gives you the certainty to invest in your capacity - your workforce. We don't want Peter robbing Paul to get increased outcomes. This is a significant objective of our multi-year deal with you.

The Detail*

- KiwiBuild underwriting deals are at the lesser of the mid-point of a Valuation or the KiwiBuild Price Points
- Potential changes on price points only impact houses yet to be built
- The majority of KiwiBuild houses must be in prioritised geographical demand areas (as defined by KiwiBuild)
- KiwiBuild houses must be marketed **exclusively** to KiwiBuild eligible buyers for an agreed period, then to the open market before further options are exercised

* Subject to specific negotiation and agreement



New Zealand Government

- You need multi-year certainty. KiwiBuild needs assurance re delivery, quality and price.
- A deal could look like this:
 - KiwiBuild does deals at the lesser of the mid-point of a Valuation from a reputable Residential Valuer or the KiwiBuild Price Points.
 - Any changes in the KiwiBuild Price Points only impact those houses that have not commenced construction (defined as ground floor slab or foundations complete).
 - KiwiBuild houses must be in prioritised geographical demand areas (as defined by KiwiBuild).
 - KiwiBuild houses must be marketed exclusively to KiwiBuild eligible buyers for an agreed period, then to the open market, all before the option is exercised.

The Detail*

- The Partnership term is 5 years (extendable by mutual agreement)
- KiwiBuild have the option to terminate if the annual review is assessed unsatisfactory
- Timing of marketing and sales of all dwellings is at your discretion

* Subject to specific negotiation and agreement



New Zealand Government

As I have mentioned., we are looking to do a 5-year deal, extendable by mutual agreement.

At the same time we want to ensure ourselves that you guys are living up to your side of the bargain. We want to have a formal review process but one that doesn't turn a multi-year deal into a series of 1-year deals – more on this point in a minute.

Importantly, you decide when you sell and market these properties. We make or coordinate our balloting system with your requirements.

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The Detail*

- Modest discounts (as negotiated) will apply to all KiwiBuild underwrites
- At the end of the agreed KiwiBuild marketing period, a Group Builder is not bound to exercise the KiwiBuild underwrite if it chooses not to.

* Subject to specific negotiation and agreement



New Zealand Government

Modest discounts apply to the KiwiBuild Underwrite. That is typically between 3 and 5% and is dependent on the valuation.

This last point might seem a little counter-intuitive but you don't need to exercise the option if you don't want. Let me explain by way of an example.

A current developer we have signed up has 30 odd apartments under the KiwiBuild underwrite. He wants us to ballot them and if any don't sell he will then sell to the open market. If any still don't sell he wants them back!!

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Annual Review and Objectives

- A KiwiBuild year – 1 July to 30 June
- By 31 March of each year, KiwiBuild will:
 - Confirm the following year KiwiBuild Price Caps and the prioritised geographical demand areas
 - Present the latest version of the KiwiBuild Design Standards



New Zealand Government

Let me now discuss the formal review process I mentioned a little while ago.

A KiwiBuild year – 1 July to 30 June

By 31 March of each year, KiwiBuild will:

- Confirm the following year KiwiBuild Price Caps and the prioritised geographical demand areas
 - The price caps may change in the years to come. We want to signal this to you in plenty of time
 - Similarly the demand areas might be different or the volumes we need might change
- Present the latest version of the KiwiBuild Design Standards
 - We will be introducing the KiwiBuild Design Standards and have just started our consultation with industry on these. They will include references to Homestar 6, Lifemark and other standards. Our intention is to keep refreshing them, hence the annual version.

Annual Review and Objectives

By 31 August of each year, KiwiBuild will:

- measure each Group Builder against:
 - Delivery of the agreed number of dwellings
 - Adherence to the KiwiBuild Design Standards
 - The quality of their consenting documentation
 - Engagement with KiwiBuild and government
 - Peer group collaboration



New Zealand Government

From July 1 to August 31 we will meet with you and your teams to discuss the previous year. We will look at:

- Delivery of the agreed number of dwellings
 - If you agree to provide us with 250 dwellings and only deliver 200, we'll be upset because we count on the numbers being delivered
 - If its plus or minus 10%, no problem – we understand there are variables in this
- Adherence to the KiwiBuild Design Standards
 - Once introduced its important you deliver to our standards. For us its all about the brand. We want KiwiBuild to be aspirational for first home buyers and to achieve that we need the to define our standards
- The quality of their consenting documentation
- Engagement with KiwiBuild and government
 - Today's also about highlighting how the government's housing implementation arms are joined up. Engagement with HNZ, HLC and KiwiBuild will be an important part of the relationship
- Peer group collaboration
 - We are about growing capacity and we need all of you working to achieve that. It's not about growing your capacity at the expenses of your peers.

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BREAK (15 minutes)



How do we move forwards?

Patrick Dougherty, General Manager, HNZC
Chris Aiken, CE HLC
Stephen Barclay, Head of KiwiBuild



The Procurement process

Stephen Barclay

- We have to work with the Government Rules of Sourcing-www.procurement.govt.nz
- We are aligning our procurement approach to deliver the Government's Goals for KiwiBuild
- We will be developing our methodology with market participants taking a partnership approach
- Desired outcome: simplified best practice procurement processes



New Zealand Government

I have talked to a few of you about the procurement process.

We are looking to align how we do this deal with you with the Government Rule of Sourcing.

At the same time we are progressing our Head of Agreement, we will be undertaking this work.

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HLC/KiwiBuild contract

Chris Aiken

- Working towards one HLC/KiwiBuild Agreement on HLC regeneration projects
- Single points of contact at project level
- Best practice outcome Board agreements
- Share risk collaborations
- Partnership management and monitoring

Government is joined up on this

Patrick Dougherty

- HNZ: delivers the Crown's state housing (6,900 additional over the next 4 years)
- HLC: the Crown's land developer
 - Regeneration of Mt Roskill, Mangere Northcote, Tamaki
 - Others yet to be publically announced.
- KiwiBuild: the crown's vehicle to facilitate substantial growth in affordable housing

Our collective goal is to achieve all government's targets

The Opportunity

Andrew Dougherty

- The Government will underwrite multi-year sustainable growth across the sector
- Sustainable growth means an uplift in capacity across the sector, not just consolidation across a few players
- Sustainable growth also means government agencies coordinating, resourcing

Your contribution is important and adds scale if everyone participates

Stephen Barclay

- The opportunity is meaningless if we simply 'move the deck chairs'
- The opportunity is to grow sector capacity and the government will underwrite this
- But KiwiBuild has to succeed...



New Zealand Government

Government has multiple targets and we need to allocate our resource to achieve the goals.

Its not about simply moving your resource from one government client to another.

If we utilise the government's commitment to underwrite outcomes, we have the opportunity to collectively grow our capacity.

But, KiwiBuild has to succeed.

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The KiwiBuild story so far.....



 **kiwibuild**

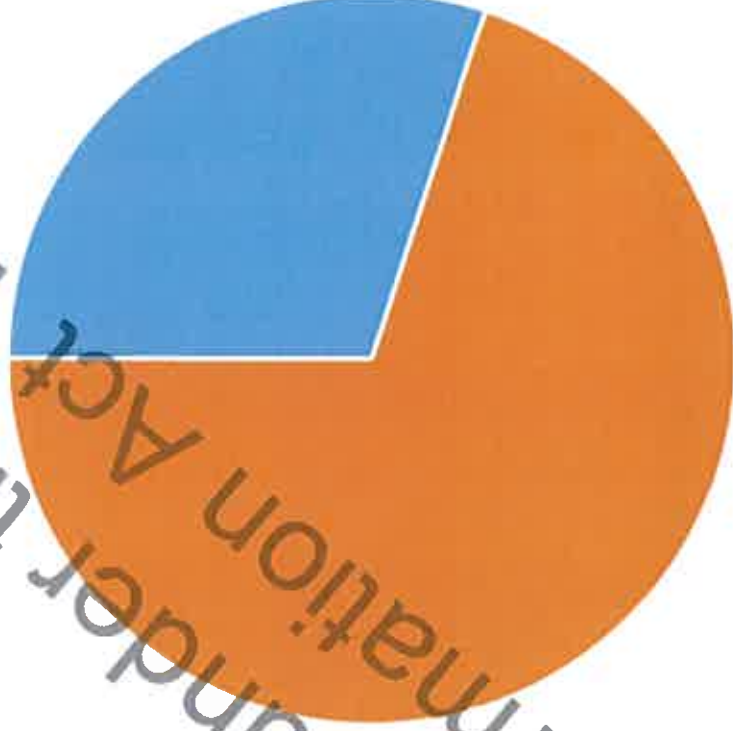
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On the website

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... but let's dig deeper

2019/20 Houses



Contracted or Term Sheet • Yet to secure

5,000 dwellings

2018/19 Houses



Contracted or Term Sheet • Yet to secure

1,000 dwellings



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Next Steps...

	By Who	By When
--	--------	---------

Notes from the meeting including questions raised

31 October

Stephen Barclay

We want your feedback on:

- The deal
- The Terms
- Annual Review & Objectives

9 November

Group Builders

Version One - Conditional Term sheet

16 November

KiwiBuild to send

Term Sheet - Negotiation (individual yet collective)

30 November

Group Builders

Term Sheet Confirmed

Signed Term Sheet

20 December

ALL



QUESTIONS

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Group Home Builders Initiative

Contact us

KiwiBuild Unit

botp@kiwibuild.govt.nz

www.kiwibuild.govt.nz

New Zealand Government



Additional slides

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Group Home Builders Market Briefing

QUESTIONS

1. How do you manage the potential risk for change of government?

A: This is a very important question, the government in actual fact has experience in this sort of situation when you enter into a long term relationship and policy may change. The ongoing arrangements for Charter Schools are an example. Our agreement has to address the fact that the future might change and we need a mechanism to address that.

2. With the 150 target, is there flexibility for the gearing up process, a percentage in year one, two and three?

A: Our objective here is collective. Next year we need 3,500 dwellings. We don't have the capacity to have individual deals across the whole residential construction sector for multiyear agreements but rather we want to have such deals with a select group who can deliver at least 150 KB units a year. That said, we recognize the need for a ramp up period.

3. With regards to the kiwibuild house, what defines a KiwiBuild home?

A: Currently we need to sell KiwiBuild homes under the government's price caps, sell to eligible buyers and hand back the \$2b the government has given us in ten years' time. We also have other criteria related to design but at this stage they are a little subjective. Soon we will produce and publish our own KiwiBuild design standards.

4. The year on year deal that you're talking about, that requires further discussion, as we are talking multiple years and need to understand price escalation – For example CPI

A: It's a big question for us: how do we change the price cap as circumstances change in the years to come. We've done a deal recently for three years and we found a way of doing that but it's not the way forward. We need to work on a better way to think about price caps over the years as prices change.

From: Rhea Fitzpatrick
Subject: Follow Up: Group Home Builders Meeting [UNCLASSIFIED]
Attachments: [image001.png](#)
[31102018 Final GHB meeting pack \(2\).pptx](#)
[31102018 GHB OA.DOCX](#)

Hello

Thank you for attending our first Group Builder meeting yesterday. From the feedback I have received it appears everyone got something out of it and are looking forward to moving things forward. Personally, I enjoyed the positive engagement, and I am eager to work with you on this exciting opportunity.

Please see attached slides and notes from yesterday's meeting. You can also find contact details for heads of programmes in the slides.

We have also captured some of the key questions and comments from the meeting and I have attached those as well.

From here, the timetable we are working to is as follows:

- Meeting notes distributed – today
- Feedback from Group Builders – November 9 2018
- First draft of Head of Agreement – November 16 2018
- Second draft of Head of Agreement – November 30 2018
- KiwiBuild and Group Builder discussions and signing – December 2018

I am really keen to continue a two way dialogue with you on the best way to reach a fair multi-year contract. Please feel free to get in touch with myself or the KiwiBuild team.

Finally, you will recall that I mentioned we are 180 dwellings shy of our first year target (30 June 2019). Let Murray Smith know if you can assist here (murray.smith@kiwibuild.govt.nz).

Thanks again for a productive day and I look forward to catching up again soon.

Kind regards

Stephen Barclay
Head of KiwiBuild

Nga mihi,

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From: Rhea Fitzpatrick

To: s 9(2)(a)

Subject: Group Home Builders Briefing- 30th October [UNCLASSIFIED]

Attachments: [image001.png](#)
[31102018_GHB_QA.DOCX](#)
[31102018_Final_GHB_meeting_pack.pptx](#)

Good afternoon,

Sorry we missed you at the Group Home Builders Briefing. Please see attached slides and notes from the meeting. You can also find contact details for heads of programmes in the slides.

We have also captured some of the key questions and comments from the meeting and I have attached those as well.

From here, the timetable we are working to is as follows:

- Meeting notes distributed – today
- Feedback from Group Builders – November 9 2018
- First draft of Head of Agreement – November 16 2018
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- KiwiBuild and Group Builder discussions and signing – December 2018

I am really keen to continue a two way dialogue with you on the best way to reach a fair multi-year contract. Please feel free to get in touch with the KiwiBuild team.

Finally, within the briefing I mentioned that we are 180 dwellings shy of our first year target (30 June 2019). Let Murray Smith know if you can assist here (murray.smith@kiwibuild.govt.nz).

I look forward to catching up again soon.

Kind regards,

Rhea

Rhea Fitzpatrick

Senior Advisor, Development Operations

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From: Rhea Fitzpatrick
To: BOFP@kiwibuild.govt.nz
Subject: Group Home Builders Briefing Feedback [UNCLASSIFIED]
Attachments: [image001.png](#)
[31102018_GHB_QA.DOCX](#)
[31102018 Final GHB meeting pack.pptx](#)

Hello,

Thanks again for attending the meeting on the Group Home Builders initiative last week. I was pleased with the level of support that is being shown for the KiwiBuild programme and the opportunities it presents.

I have had a couple of you come back to me already with suggestions about what 'the deal' might look like, and how to make a commitment to developing a real 5 year agreement work (and not just fall back to one-year deals under another guise).

If you haven't already, I would be keen to hear from you on any ideas/comments/suggestions that you might have to help me make sure we got to a fair and balanced approach to forming multi-year agreements for volume production.

I've reattached the briefing back from the meeting for reference. It sets out the deal at a high level, discusses a proposed annual review process, and lists the objectives we're seeking to partner with you to achieve. I would welcome feedback on anything though.

The Pack also includes the contact details of the relevant managers for each of the work streams. Feel free to give the team a bell if you need a bit more information to help shape up any feedback you might have.

Lastly, here is a reminder that the timetable I am committed to working to:

- Feedback from Group Builders – November 9 2018
- First draft of Head of Agreement – November 16 2018
- Second draft of Head of Agreement – November 30 2018
- KiwiBuild and Group Builder discussions and signing – December 2018

Kind regards

Stephen Barclay
Head of KiwiBuild

Via

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