

**TAUĀKĪ WHAKAMAUNGA ATU**  
**STATEMENT OF INTENT**  
2025/26 – 2028/29



# Purpose of this document

This Statement of Intent is a public accountability document required under sections 139 and 141 of the Crown Entities Act 2004. This document outlines the strategic intentions of Kāinga Ora for the financial years 2025/26-2028/29.

For further information about our work, visit [www.kaingaora.govt.nz](http://www.kaingaora.govt.nz).

## Karakia

Karanga ki a Ranginui e tū iho nei

Karanga ki a Papatūānuku e takoto ake nei

Tēnei te mauri whakapiki

Tēnei te mauri whakakake

Tēnei te mauri ka puta ki te whai ao,

ki te ao mārama

Haumi e, hui e, tāiki e!

Kei ngā mate huhua o te wā, koutou ki a koutou.

Haere, e oti atu ki te pō, ā, nau mai ko te ao.

Tēnei te tuku atu i te kaupapa nei ki te ao, kia

kite ai i ngā whaingā nui a Kāinga Ora.

Tēnei anō hoki te mihi nunui ki ngā tini

tāngata e whai whakaaro ana ki tēnei

kaupapa whakahirahira

Nā reira e te iwi, tahuri mai rā te aroaro.

## Prayer

Call to the Sky Father standing above

Call to the Earth Mother lying below

Here is the life force ascending

Here is the life force climbing up

Here is the life force emerging into the daylight

Into the world of light

Come together, gather up, it is victory!

We acknowledge those who have died, you have joined all of those others before you.

Farewell, you go to the other world, we remain in the world of the living.

We present this publication to the world so all can see the objectives of Kāinga Ora.

We also sincerely greet the many persons assisting with this

very important work

To all people, we thank you for listening to us.

**Presented to the House of Representatives pursuant to section 149 of the Crown Entities Act 2004.**

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## Foreword | Kupu Whakataki

Welcome to the Statement of Intent for Kāinga Ora – Homes and Communities for the period 2025/26 – 2028/29. On behalf of the Board and management team, we are pleased to share our vision and outline the strategic intentions that will guide our work over the next 4 years.

In this Statement of Intent, we detail our commitment to delivering quality social housing and being a responsible landlord who looks after our homes and tenants and serves communities well while responding to the recommendations set out in the Kāinga Ora Reset Plan endorsed by Cabinet on 16 December 2024 and announced in February 2025. Our focus for the next 4 years is to continue to provide safe, warm and dry homes, ensuring our tenants have access to quality social housing tailored to their unique needs.

With an emphasis on fiscal responsibility, we strive to maximise value in our operations while making sure we prudently manage taxpayer resources. Our commitment to transparency and accountability will underpin our operations as we report on our progress and performance in relation to the Reset Plan and our strategic objectives.

### Looking ahead

We aim to build trust through our performance and service delivery, establishing Kāinga Ora as a reliable and high-performing organisation. Through enhancing our tenancy services model to meet the evolving needs of our tenants, we will address challenges such as rent arrears and disruptive behaviour. The management of our housing portfolio remains central to our goals.

We are committed to ensuring homes within our portfolio are fit for purpose over the long-term. We will continue to prioritise asset maintenance and renewals so our homes meet the evolving needs of our tenants. We will continue to deliver new social housing in places where more homes are needed or to replace existing homes that have reached the end of their economic life. By strategically divesting properties that no longer align with our long-term objectives, we will be able to reinvest in initiatives that enhance the quality and availability of social housing.

By delivering on these priorities, we will remain responsive to the housing needs of New Zealanders, achieving lasting and positive outcomes for both the public and the wider housing sector.

Noho ora mai



Chair  
**Simon Moutter**  
30 June 2025



Deputy Chair  
**Jenn Bestwick**  
30 June 2025

# Who we are | Ko wai mā mātou

The Kāinga Ora vision is **building better, brighter homes, communities and lives.**

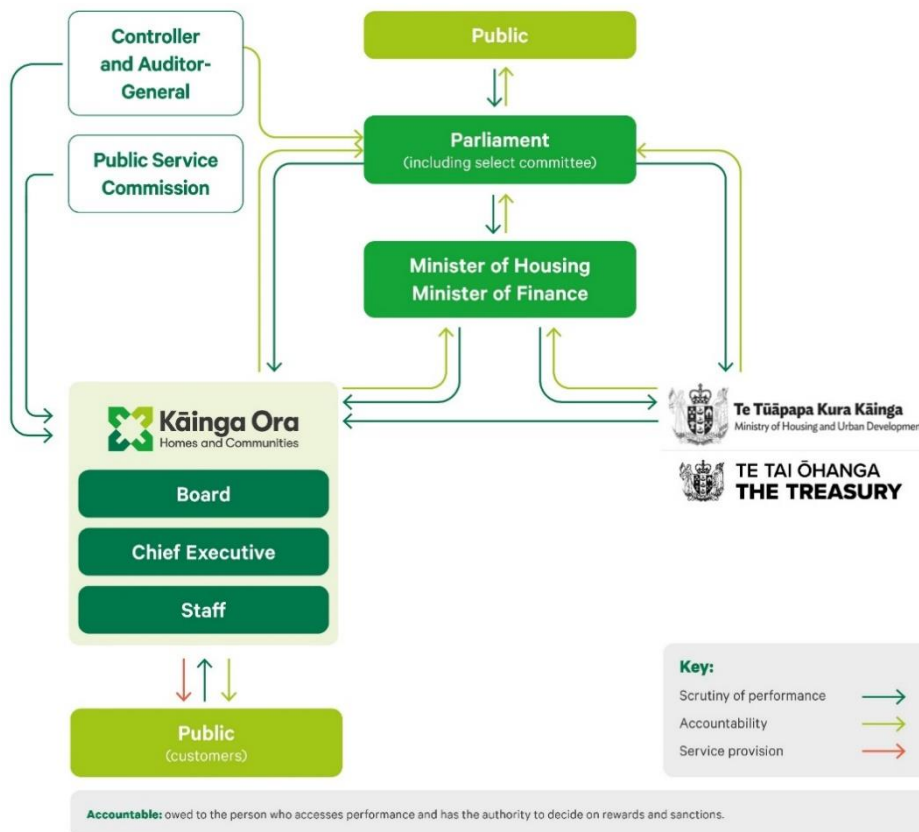
**He oranga kāinga, he oranga hapori, he oranga tāngata.**

Kāinga Ora was established as a Crown agent (for the purposes of the Crown Entities Act 2004) on 1 October 2019 under the Kāinga Ora – Homes and Communities Act 2019. Kāinga Ora is a social housing provider and can facilitate urban development, including powers under the Urban Development Act 2020.

Our responsible Ministers are the Minister of Housing Hon. Chris Bishop and Minister of Finance Hon. Nicola Willis. Kāinga Ora is monitored by the Ministry of Housing and Urban Development and the Treasury.

We are governed by a Board appointed by the Minister of Housing and the Minister of Finance.

As a Crown agent, Kāinga Ora must give effect to government policy when directed by the Minister of Housing and must comply with directions to support the whole-of-government approach made by the Ministers for the Public Service and Minister of Finance.



## Our statutory role

We are the largest residential landlord in New Zealand with a total managed stock of more than 77,000 homes, serving approximately 198,000 social housing tenants and their whānau. Our land and other assets portfolio, valued at \$46.7 billion as at 30 June 2024, stands as one of the government’s most significant assets.

Our core activities are guided by government priorities and key legislation that empowers us to fulfil our responsibilities effectively. Our mandate is to ensure our social and supported housing tenants have access to warm, dry, and safe homes through good asset stewardship. This includes effective maintenance, renewal and/or divestment of older properties where appropriate.

### Legislation driving our work

The Kāinga Ora – Homes and Communities Act 2019 and Urban Development Act 2020 set out the key functions of Kāinga Ora and the operating principles to follow when carrying out those functions. We acknowledge that several Reset Plan recommendations and Cabinet decisions require change in our legislation.

The government is also reviewing the social housing system, and responsibility for urban development. Legislative changes may occur over time to ensure the full implementation of the Reset Plan recommendations and government housing policy.

Our core legislation	Enables us to:
<ul style="list-style-type: none"> <li>• Crown Entities Act 2004</li> <li>• Kāinga Ora – Homes and Communities Act 2019</li> <li>• Urban Development Act 2020</li> <li>• Residential Tenancies Act 1986</li> <li>• Public and Community Housing Management Act 1992</li> </ul>	<ul style="list-style-type: none"> <li>✓ Allocate and rent social housing properties to people who need them most, based on income-related rent</li> <li>✓ Provide tenancy services and act as a responsible landlord</li> <li>✓ Maintain and manage existing social housing</li> <li>✓ Build, acquire and redevelop social housing</li> <li>✓ Lease properties to other housing providers</li> <li>✓ Facilitate urban development (including selection and assessing of potential Specified Development Projects, and land acquisition powers)</li> </ul>

### Strategic partnerships

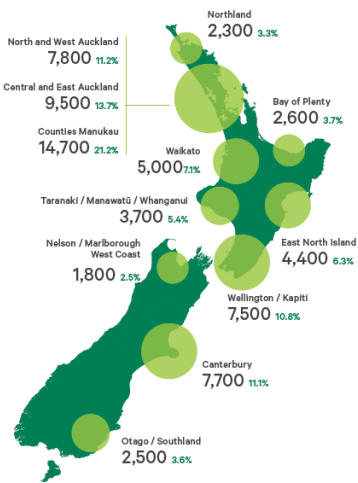
We recognise the importance of strategic partnerships, and we are dedicated to working collaboratively with councils, government agencies, Māori and iwi, and community housing providers. Together, we will deliver housing solutions that are not only effective but also responsive to the diverse challenges faced by our communities.

# Our tenants and homes

Our existing tenant base is large and diverse, and our assets are located across New Zealand.

## Tenant and asset overview

### Tenant distribution\*



### Our tenants

**69,000\***  
TENANCIES

**198,000\***  
OCCUPANTS

**3.8%** KĀINGA ORA OCCUPANTS PERCENTAGE OF NZ POPULATION

### Our homes

**77,000\***  
TOTAL MANAGED STOCK

**\$46.7B**  
VALUE OF HOUSING AND LAND PORTFOLIO\*\*

**3.7%** KĀINGA ORA PERCENTAGE OF PRIVATE DWELLINGS IN NZ

\* Rounded to the nearest thousand.  
\*\* As at 30 June 2024, from a total asset pool at that time of \$46.7 billion.

#### People

**46%**  
Tenancies with children <18yrs

**25%**  
Tenancies with elderly 65+yrs

**33%** Tenancies with Māori  
**22%** Tenancies with Pasifika

#### Household

**9 years**  
Average tenancy length

**33%**  
Tenancies 10+ years

**2.9**  
Average household size

#### Demand

**86%**  
A13+ housed off Housing Register

**4.3%\***  
Risk rated

\* Percentage of people risk rated by MSD prior to becoming Kāinga Ora tenants over the last 12 years.

#### Crowding



#### Regional condition ranges

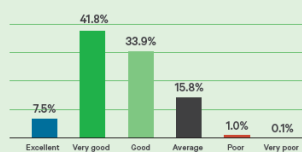
**28–47y**  
Average age range\*

**38,000\*\***  
49% Pre-1986 stock

**1.7–2.5**  
Property Condition Assessment score range\*\*\*

\* Average range across 12 operating regions.  
\*\* Rounded to the nearest thousand.  
\*\*\* Note score is out of 5, with 5 being the worst condition.

#### Access to amenity



#### Regional rent ranges

**451 to 627**  
\$ – Weekly rent range\*

**\$623M**  
Total spend maintenance (OPEX) Year ending June 2024

**0.84% to 1.61%**  
Average ROI range\*

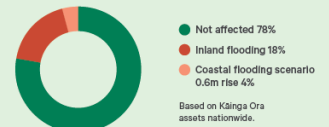
#### Housing types



Supported Housing includes 2,463 Transitional Housing and 1,470 Community Group Housing.

- Transitional Housing provides people in urgent need with a warm, dry, safe place to live while they receive wraparound support services and are helped to find a more permanent home. These homes are leased to providers contracted by the Ministry of Housing and Urban Development (MHU).
- Community Group supports people with specific or complex needs through residential and non-residential housing. Kāinga Ora leases suitable properties to specialist providers.
- Community Housing Provider leases are Kāinga Ora-owned homes leased to other social housing providers to manage. These numbers include 76 non-social homes located at Greys Avenue, Auckland that are homes owned by Kāinga Ora and occupied by tenants not eligible for Social Housing (Cabinet approved pilot programme).

#### Flood risk



\* Rounded to the nearest hundred.  
All data as at March 2025.

# Our strategic intentions | Ō mātou whakamaunga atu rautaki

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## Our strategic context

Our strategy reflects the Reset Plan, which sits alongside our legislative mandate, government priorities and operating conditions to guide our strategic direction.

### Responding to the Kāinga Ora Reset Plan 2025

The Kāinga Ora Reset Plan endorsed by Cabinet on 16 December 2024 and announced in February 2025 aims to refocus our efforts on our core mission of delivering quality social housing by being a responsible landlord who looks after our homes and tenants and serves communities well. Our strategy reflects this mission through aligning our direction within our Reset Plan parameters to deliver homes and services in a financially sustainable way. Our strategic objectives are focused on refining our service model to adapt to the changing needs of our tenants, enhancing the condition and utilisation of our homes, actively reconfiguring and renewing our homes and building trust by being a reliably high-performing organisation.

### Aligning with government priorities

#### Fewer people in emergency housing

We operate in line with the government’s overall housing strategy and priorities, including contributing to the government target of ‘fewer people in emergency housing’. Our commitment to urgent housing needs will continue, specifically through our partnership with the Ministry of Social Development to expedite placements for whānau with children transitioning from emergency housing. This initiative aims to minimise the long-term social and economic costs that housing instability imposes on individuals, whānau and communities.

#### Addressing broader housing needs

The escalating challenges within the housing sector have prompted the government to take a comprehensive approach to address a wider range of housing needs across the housing continuum. This includes growing the number and diversity of social housing providers through a regulated community housing sector. Additionally, the government is focused on enhancing support at both ends of the continuum – improving emergency housing provisions and increasing the supply of affordable homes. We will continue to play a critical role but will operate within a broader and more collaborative framework, with a strong emphasis on our core social housing responsibilities while supporting the government’s wider objectives across the housing continuum.

Operating within a growing and more diverse ecosystem of social housing providers will require stronger collaboration. We acknowledge the significance of navigating a multifaceted stakeholder environment and will continue to collaborate closely with external agencies such as the Ministry of Housing and Urban Development, Ministry of Social Development and Treasury. In turn, our initiatives impact the success of their respective programmes.

As a Crown entity, we strike a balance between delivering on the government’s social objectives and operating efficiently, while also playing a key role in advising and supporting policy agencies in the practical implementation of policies.

## Our strategic framework

Our strategic framework enables us to deliver on our core social housing mission for government so we can achieve our vision for the future: ***Building better, brighter homes, communities and lives.*** Our dedicated staff will drive our work forward, while our performance framework will measure and report our progress and accountability to New Zealanders.

### Kāinga Ora strategic framework



## Our strategic objectives

Our four strategic objectives outline what Kāinga Ora will do to realise our core mission and achieve our vision for the future.



It is also important to recognise that our work contributes to outcomes that extend beyond our organisational boundaries. There is strong evidence that a lack of housing, or poor-quality housing, negatively affects health, contributing to illnesses such as rheumatic fever and pneumonia. In New Zealand, social housing tenants experience fewer hospitalisations and use of mental health services than those in emergency housing<sup>1</sup>.

We also know that the Healthy Homes Initiative improved health outcomes and facilitated school attendance with a return on investment of \$5 for every \$1 invested<sup>2</sup>. This highlights the profound impact of quality, stable housing on individual well-being, community cohesion and broader social outcomes. Alongside other agencies, we are committed to facilitating long-term positive outcomes in areas such as health, education and employment opportunities.

By delivering on the objectives described in this Statement of Intent, we will contribute to the outcomes New Zealand needs from social housing and the housing sector in general.

<sup>1</sup> Fasoro, A., Chang, Y., Bierema, S., Tiria, P., Fraser, B., Howden-Chapman, P., & Piers, N. (2024). The impact of transitions from emergency housing to public housing in Aotearoa New Zealand. *Discover Public Health*, 21, 189.

<https://link.springer.com/content/pdf/10.1186/s12982-024-00320-9.pdf>

<sup>2</sup> <https://www.otago.ac.nz/news/newsroom/families-benefitting-from-healthy-homes-initiative>

## Strategic objective 1: We will adapt to the changing needs of our tenants by refining our tenancy service model

### Why is this important?

Our tenancy service model ensures that our tenants have support to live well in our homes and to meet their tenancy obligations. Kāinga Ora continues to sustain high levels of satisfaction with our tenancy services, and most of our tenants and their families can live well in their homes and wider communities.

We also take quick and decisive action when tenants are significantly disruptive or fail to meet their tenancy obligations, ensuring they comply with their tenancy commitments to us and to their neighbours. We also act to help tenants facing health and social challenges that put their tenancy at risk by connecting them with external support services for assistance.



### What we will focus on

We aim to deliver better and more efficient tenancy services by refining the way we assess and support our tenants and their families. Not all tenants need the same services from their landlord. While some tenant cohorts face particularly complex challenges that can escalate beyond the home, other tenants only need a light-touch approach from us to keep their tenancy on track. We will drive for efficiency by adapting our service model to get the right services to our tenants, exactly when they need them.

### What we seek to achieve

- More effective management services so that tenants get the services they need, when they need them.
- We build a better understanding of tenants who are facing health and social challenges that put their tenancies at risk.
- Tenant satisfaction with our services is sustained at high levels.

## How will we measure success?

	Ref	Measure	Our Influence	Baseline	Target 2028/29
Adapt to the changing needs of our tenants by refining our service model	1.1	Percentage of tenants satisfied with our services	 Medium	82% (based on 2024/25 forecast) <sup>3</sup>	75–85%
	<b>Why this matters:</b> This measure is an important indicator of the effectiveness of our tenancy and maintenance services.				
	1.2	Percentage of tenants satisfied with their Kāinga Ora home	 Medium	73% (based on 2023/24 actuals)	75–85%
	<b>Why this matters:</b> This offers an insight into the quality and suitability of our housing stock for tenants.				

<sup>3</sup> This measure reflects tenants’ overall satisfaction with the Customer Support Centre, Housing Support Manager and Maintenance services. As the assessment methodology has changed, we have used the forecast figure as the baseline, as it provides a more accurate comparison.

## Strategic objective 2: We will enhance the condition and utilisation of our homes

### Why is this important?

As the largest landlord in the country, we must excel at managing our assets to ensure that our tenants live in warm, dry and healthy homes in a way that is financially sustainable into the future. The rental income we receive from government and our tenants is the core source of funding for the homes and services we deliver. This means our homes must be maintained to the right standard to generate a good rental return so we can continue to deliver healthy housing for our tenants. It is also critical that our homes are well managed and optimally utilised, meaning tenants are well matched to a home and that vacated properties are always let quickly and efficiently. Ensuring our homes are available and well matched is critical to delivering quality social housing for our tenants and their whānau, into the future.



### What we will focus on

We will continue enhancing the condition of our homes by proactively and cost-effectively managing the maintenance and repair of properties on a lifecycle approach to improve the condition of our homes over the medium to long-term. We will also ensure our homes are available to let and match what our tenants need, avoiding poor outcomes and additional wear and tear on our assets. Recognising that tenant housing needs evolve over time, our focus is on sustaining good health outcomes, especially for tamariki living in our homes.

### What we seek to achieve

- Our tenants live in good-quality, warm, dry, and healthy housing.
- Our homes are maintained to the right standard, to sustain healthy outcomes for our tenants and safeguard our rental income.
- We achieve cost and time savings by streamlining the way we deliver maintenance and repair services.
- When our tenants' needs for housing change, we have good options to transfer them to other homes that better meet these needs.

## How will we measure success?

	Ref	Measure	Our Influence	Baseline	Target 2028/29
Enhance the condition and utilisation of our homes	2.1	Proportion of housing stock that meets condition standards <sup>4</sup>	 High	94.9% (based on 2023/24 actuals)	≥95.0%
	<b>Why this matters:</b> We endeavour to ensure that the physical condition of our housing stock meets an external standard of quality.				
	2.2	Percentage of homes available to let	 High	96.8% (based on 2023/24 actuals)	97.0–97.5%
	<b>Why this matters:</b> This measure shows how efficiently we manage and maintain our entire portfolio of homes. It tracks the percentage of our total housing stock that is ready for tenants. A high availability rate means we are returning homes to service faster, helping us meet housing need more quickly.				

<sup>4</sup> Kāinga Ora uses the New Zealand Asset Management Support (NAMS) asset condition scale. Each major component of a house is rated 1–5 where 1 is the highest score and 5 is the lowest. Where the average of the components is rated at less than 3.5, the house is deemed to meet baseline quality standard.

## Strategic objective 3: We will respond to tenant needs by actively reconfiguring and renewing our homes

### Why is this important?

Over half of our homes are nearing the end of their lifecycle and are due for renewal over the next 30 years. In line with the Reset Plan, Kāinga Ora intends to renew approximately 2,000 homes each year over the period of this Statement of Intent, bringing them to modern living standards that are warm, dry, and healthy for our tenants.

This renewal programme also gives us an opportunity to recalibrate our portfolio in response to changing tenant demand by providing a greater proportion of homes for single-person households and larger families. We have a crucial strategic opportunity to build a better, brighter social housing legacy with a stronger financial outlook by delivering the right types of renewed homes in the right places across the country.

### What we will focus on

Renewing our ageing housing stock requires us to take a more focused approach to managing our portfolio of homes. We will renew our older homes with new homes that better meet social housing demand in locations that need them, in a way that is financially sustainable for Kāinga Ora in the long-term and offers value to the government and society.

To achieve this, we are deliberately building a more repeatable, scalable, lower unit construction cost operating model. This will allow us to more easily and cost-effectively scale up our housing delivery to align with any future changes in government policy settings.

It is critical we make the best possible strategic decisions about the future use of our assets, including where we are:

- redeveloping homes through demolition and intensification of our existing land holdings, making better use of our land
- retrofitting homes through substantial renovation on landholdings we wish to retain that are not able to be redeveloped
- selling older, under-performing homes and replacing them with newly built and acquired homes.

### Our large-scale projects in Auckland and Porirua

In line with agreed funding, Kāinga Ora will renew homes on our amalgamated land holdings in Auckland and Porirua through our large-scale redevelopment projects. As part of these projects, we will work with central and local government and the private sector to improve wider infrastructure capacity, creating connected neighbourhoods and improved amenities.

## Steady construction pipeline



A steady, longer-term construction pipeline is fundamental to us being able to deliver this 30-year programme in a consistent and most cost-effective manner.

Kāinga Ora will respond to requirements to provide additional housing as and when commissioned and agreed with government.

## What we seek to achieve



- Our homes meet modern living standards that support the best possible outcomes for our tenants, including warmth, dryness, and safety.
- Our housing portfolio reflects demand for different types of homes in different locations across the country, within our funding settings.
- Our large-scale redevelopment projects enable improved infrastructure capacity resulting in increased housing supply, including renewed social housing, and better utilisation of landholdings.
- Our build programme delivers value for money for the government and the homes we build are financially sustainable for Kāinga Ora to maintain and manage into the future.
- Our homes are resilient to climate change and contribute to New Zealand’s carbon reduction targets.

## How will we measure success?

	Ref	Measure	Our Influence	Baseline	Target 2028/29
Respond to tenant needs by actively reconfiguring and renewing our	3.1	Average age of housing stock <sup>5</sup>	 High	38 years <sup>6</sup> (based on 2023/24 actuals)	37 years
	<b>Why this matters:</b> This measure highlights our progress in renewing our ageing housing stock, ensuring warm, dry and healthy homes for our tenants.				
	3.2	Maintain our home portfolio size	 High	78,200 (based on 2024/25 forecast)	77,800 – 78,800
<b>Why this matters:</b> Maintaining our home portfolio within a set range allows us to focus on renewing and improving existing homes rather than adding new ones. This ensures our housing remains fit for purpose while meeting community needs in a financially responsible way.					

<sup>5</sup> The average age of housing stock reflects that properties are considered ‘new’ from the time they are significantly retrofitted. This approach acknowledges the extended lifespan and improved condition of upgraded homes.

<sup>6</sup> This figure has been restated from 41 years (as shown in the Reset Plan) to reflect the reindexing of retrofitted properties, which are assigned an effective age of zero upon completion of retrofit.

	Ref	Measure	Our Influence	Baseline	Target 2028/29
	3.3	Decrease the number of Kāinga Ora homes exposed to flood <sup>7</sup> hazards	 High	11,240	Decrease
	<b>Why this matters:</b> This measure tracks whether we are making good choices on where we divest, retrofit, redevelop and acquire homes as part of renewals activity to protect our tenants and assets against flood-related impacts.				
	3.4	Carbon emissions <sup>8</sup> resulting from the Kāinga Ora housing portfolio	 High	80.4 tCO <sub>2</sub> eq/home (FY23)	74.4 tCO <sub>2</sub> eq/home (7.4% reduction)
<b>Why this matters:</b> This measure tracks whether our homes are decarbonising in alignment with the New Zealand and Kāinga Ora Emissions Reduction Plans. Low-carbon homes also provide a healthier and more cost-effective living environment.					

<sup>7</sup> The number of Kāinga Ora homes that could have water reach the first floor during a major flood caused by rivers, heavy rain, or the sea. This type of flood is expected to happen about once every 100 years.

<sup>8</sup> The average carbon emissions from building a Kāinga Ora home during the reporting period, plus the average emissions from running a home in the portfolio over 50 years (such as from maintenance and tenant energy and water use).

## Strategic objective 4: We will be a reliably high-performing organisation

### Why is this important?

To be successful in providing quality social housing and tenancy services, Kāinga Ora must continue our journey to becoming a reliable, high-performing organisation that delivers for our tenants and for government. We are dedicated to protecting government investment in social housing and delivering a sustainable social housing legacy for New Zealand.

We will strengthen our organisational performance and deliver significant medium-term cost reductions to support long-term financial sustainability. This will enable us to build the trust of government and New Zealanders so we can be more effective in delivering quality social housing for future generations. This commitment to enhance our performance and maximise the value of every dollar spent will benefit our tenants and communities across the country.



### What we will focus on

We will transform our organisation and enhance our performance by fostering a high-performance culture, ensuring the right capabilities and resources are in place to deliver our core social housing products. Our Board and leadership are committed to investing strategically in our core products and services, aligning our initiatives with market settings and funding sources, where beneficial. We will also contribute to the government's work on reviewing social housing funding models to better align our funding with the actual costs of delivering our homes and services.

### What we seek to achieve

- We foster a strong, responsive and high-performing organisational culture that enables us to build trust and deliver our core housing products and services efficiently and effectively.
- We build trust and strengthen our ability to deliver quality social housing that aligns with government direction and is financially sustainable over the long-term.
- Our mid-term operational and capital savings contribute to our long-term financial sustainability.
- We deliver our agreed renewal commitments while staying within the approved debt protocol limit set by Government, with our debt-to-assets ratio peaking in 2025 before gradually declining.

## How will we measure success?

Be a reliably high performing organisation	Ref	Measure	Our Influence	Baseline	Target 2028/29
	4.1	Total debt/EBITDA <sup>9</sup>	 High	36.5 (based on 2023/24 actuals)	16.3
	<b>Why this matters:</b> This measure shows how well we manage our debt in relation to operating earnings. It indicates that we are using debt to invest in assets that generate more income than they cost.				
4.2	EBITDA/Interest	 High	0.8 (based on 2023/24 actuals)	1.4	
<b>Why this matters:</b> This measure reflects our ability to cover interest costs with operating earnings, ensuring financial sustainability and resilience.					

<sup>9</sup> EBITDA is defined as earnings before key expenses – Interest, Tax, Depreciation and Amortisation. For Kāinga Ora amortisation incorporates asset write-offs, impairments, and gains/losses.

### Summary of our housing stock and construction events by year

	2025/26	2026/27	2027/28	2028/29
New homes	1,767	1,465	1,590	1,613
Retrofits	495	400	400	400
<b>Total construction events</b>	<b>2,262</b>	<b>1,865</b>	<b>1,990</b>	<b>2,013</b>
Net growth <sup>10</sup>	(255)	(74)	(75)	0
<b>Managed stock</b>	<b>78,072</b>	<b>77,999</b>	<b>77,924</b>	<b>77,924</b>
<b>Effective age of homes</b>	<b>38</b>	<b>38</b>	<b>37</b>	<b>37</b>

### Summary of 4-year budget forecast

The table below provides a summary of our 4-year budget forecast for the period 2025/26-2028/29. This budget forecast is in line with the Government's Reset Plan expectations, with our net deficit reducing to \$301 million by 2028/29 and debt levels peaking in 2028/29. Longer-term forecasts demonstrates that we will return to surplus from 2034/35, one year earlier than forecast in the Reset Plan.

	2025/26	2026/27	2027/28	2028/29
	\$m	\$m	\$m	\$m
Revenue	2,770	2,845	2,883	3,021
Operating expenses	1,739	1,708	1,696	1,757
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>1,031</b>	<b>1,136</b>	<b>1,187</b>	<b>1,263</b>
Write-offs, impairments and gains/losses	171	145	157	137
Depreciation	541	538	537	534
Net interest expense	744	800	844	891
Tax	(29)	(14)	(8)	2

<sup>10</sup> Net growth is the number of new homes added, minus homes lost through demolitions, sales and lease expiry.

	2025/26	2026/27	2027/28	2028/29
	\$m	\$m	\$m	\$m
<b>Net surplus (deficit) after tax</b>	<b>(395)</b>	<b>(332)</b>	<b>(342)</b>	<b>(301)</b>
Comprehensive income	2,584	1,685	1,499	1,267
Free cash flow	201	207	218	277
Assets	54,367	56,816	58,960	60,779
Debt	18,880	19,596	20,132	20,590
Total gross capital spend	1,687	1,793	1,876	1,860
<b>Key Financial Ratios</b>				
Debt / Assets	34.7%	34.5%	34.2%	33.9%
Interest cost ratio (EBITDA <sup>11</sup> /Interest) (Target > 1.5)	1.4	1.4	1.4	1.4
Total debt/ EBITDA (Target < 10)	18.3	17.2	17.0	16.3
EBITDA/Revenue (Target > 40%)	37.3%	39.9%	41.2%	41.8%
Return on investment	1.94%	2.06%	2.09%	2.17%
Personnel as a percent of revenue	10.4%	9.9%	10.1%	9.8%
Maintenance as a percent of revenue	17.2%	17.2%	17.5%	16.7%
SACP rating	a/a-	a/a-	a+/a	a+/a

<sup>11</sup> EBITDA is defined as earnings before Interest, Tax, Depreciation and Amortisation. For Kāinga Ora amortisation incorporates asset write-offs, impairments, and gains/losses.

# Our organisational health and capability | Tō mātou hauora whakahaere, āheitanga hoki

The Kāinga Ora Reset Plan endorsed by Cabinet on 16 December 2024 and announced in February 2025 aims to refocus our efforts on our core mission of delivering quality social housing by being a responsible landlord who looks after our homes and tenants and serves communities well.

Kāinga Ora commenced a change process in April 2025 with our people on how we resize and renew the organisation to align and match our workforce with the reset of Kāinga Ora. Further details on the resize and organisational capability will be available once the process is complete.

## How we are organised

The Kāinga Ora Board ensures the priorities of Kāinga Ora align with the Ministers' expectations, setting out annual and mid-term objectives in the Statement of Performance Expectations and Statement of Intent respectively. Our Board drives and monitors organisational performance, providing oversight of both financial and non-financial performance and reporting regularly on these to the Minister of Housing, Associate Minister of Housing, Minister of Finance, and any relevant Associate Ministers.

Our leadership team works to successfully deliver on Kāinga Ora objectives and goals, providing effective management of wide-ranging functions and programmes of work undertaken by several business groups.

These business groups are organised in a place-based structure across 12 operating regions, designed to develop strong relationships with tenants and communities and deliver more effective, localised housing solutions.

As New Zealand's largest provider of social housing, Kāinga Ora recognises that a one-size-fits-all approach does not work so we must adapt to the unique needs of each community. We build trust and strengthen engagement with our tenants and communities by deeply understanding how our core services impact each region. This insight helps us make more informed, locally tailored decisions.

## Our people

A strong and sustained focus on performance, organisational health and capability underpins our ability to deliver our core social housing products and services. The Organisational Health Index Survey conducted in November 2024 has helped us understand the strengths and improvement areas for Kāinga Ora. These insights and the performance expectations laid out in the Reset Plan have informed our people aspirations and focus areas.

We aim to be a high-performing workplace where people have the expertise to succeed now and into the future, where our leaders show up and drive clarity, connection and capability and our culture

enables all our people to do their best work and attracts great talent delivering for our tenants and communities.

We will equip our people to respond to changes in our operating environment in a way that aligns with our values, our mandate, and our funding parameters, while ensuring we sustain a safe, engaged and healthy work community.

Over the next 4 years, we will focus our efforts on the following priority areas:

- **Workforce management practices:** Implement high-impact workforce management practices that drive performance, nurture talent, and promote continuous learning and effective ways of working. The immediate focus is to refine and embed an individual performance framework (Delivering and Development) that links individual effort to strategic outcomes, driving accountability and focus.
- **Talent strategy:** Rapidly develop leadership capability to inspire and sustain an inclusive high-performance culture at every level of the organisation. Empower our people to grow their careers, build critical skills and transition seamlessly into new roles, driving both personal and organisational success.
- **Capability:** Provide the right training, data and tools to elevate key organisational capabilities including commercial acumen, health and safety, and digital/data fluency.
- **Culture:** Embed a culture of accountability, high performance and values-based behaviours. Strengthen the employee experience by closing gaps in inclusion, engagement and clarity, ensuring a supportive and thriving workplace.
- **Diversity, equity, and inclusion (DEI):** Leverage the opportunities created by transformation to establish a solid foundation for our future DEI aspirations and activity. A refreshed DEI strategy and action plan will aim for diversity at all levels of the organisation, and the wellbeing of our people remains a central focus as we continue to evolve as an organisation. This includes monitoring the impact of organisational change on the diversity of our workforce. Continue our culture capability programmes.
- **Strategic workforce planning:** Embed a robust and proactive strategic workforce planning framework that meticulously aligns talent, capacity, and resources with the highest-priority initiatives in line with the organisation's direction.
- **Communications and clear engagement:** Deliver inclusive, transparent and consistent communications that build trust and reinforce credibility with all stakeholders, from tenants to partners to our people.

We provide regular, detailed reporting on our people initiatives and activities through our Annual Report, including tracking progress on diversity, inclusion and other key workforce priorities.

## Our values and characteristics

Our organisational values and characteristics are the building blocks of this approach, supporting our mahi and driving our performance, across all people within the organisation.

Our organisational values	Our characteristics
<ul style="list-style-type: none"> <li>✓ <b>MANAAKITANGA People at the heart:</b> showing respect, generosity and care for others and acting with integrity</li> <li>✓ <b>MAHI TAHI Better together:</b> building trust, sharing openly and collaborating with purpose to deliver stronger outcomes, together</li> <li>✓ <b>WHANAKE Be bold:</b> growing and developing, finding new ways to do things and holding ourselves to the highest standards</li> </ul>	<ol style="list-style-type: none"> <li>1. <b>STRATEGY DRIVEN:</b> Our decisions are fact-based, commercially sound and aligned with our long-term goals</li> <li>2. <b>HIGH-PERFORMING PEOPLE, INSPIRING CULTURE:</b> Our people deliver excellent results with confidence, empowered by a culture that inspires and facilitates success</li> <li>3. <b>OPERATIONAL EXCELLENCE:</b> We are relentlessly focused on delivering smart solutions that create lasting value for the people we serve</li> </ol>

Our actions are underpinned by our organisational values and our commitment to the Treaty of Waitangi | te Tiriti o Waitangi and its principles. One of our key business groups, Te Kurutao Group Māori, brings together essential capabilities that support Kāinga Ora in meeting its responsibility to understand, support and enable Māori interests and aspirations in housing and urban development.

We are committed as an organisation to growing our cultural capability in te ao Māori and embedding our heritage and responsibilities across everything we do.

## Our new ways of working

Our transformation programme of work is shifting how the entire organisation operates so we can realise these improvements:

- a stronger, more sustainable ability to deliver our core mission for tenants and the wider New Zealand community.
- more efficient processes and systems to enable our people to deliver successfully
- talent frameworks to enable workforce planning.
- focused and accountable leaders, driving performance and positive workplace experiences
- a results-driven, outcome-focused way of working.
- targeted training and development to strengthen key organisational capabilities.

## Transforming Kāinga Ora technology

We are developing a technology roadmap to equip us with the most effective tools to support our work, making our jobs easier and more rewarding for everyone. More efficient systems will help eliminate inefficient spending across our organisation, allowing us to reinvest in our core mission.

## Managing our corporate emissions

Kāinga Ora is required to set absolute emissions reductions targets and annually report emissions to meet the requirements of the Carbon Neutral Government Programme. Kāinga Ora has set an absolute target to reduce our corporate emissions by 42 percent by 2030, compared to our financial year 2023 baseline.

# Appendix 1: Our performance and reporting framework

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Kāinga Ora is committed to transparency and accountability in demonstrating the value we deliver to New Zealand. Our performance framework ensures we measure, monitor and report on our activities effectively, providing a clear link between our work and the strategic objectives we strive to achieve for the people and communities we serve.

We monitor performance through a mix of medium-term measures outlined in our Statement of Intent and short-term measures specified in our Statement of Performance Expectations. These measures focus on the areas where we are funded to make the greatest impact.

Progress against these measures is reported quarterly to Ministers and annually in our Annual Report, providing stakeholders with insights into how we deliver on our core services and long-term goals. This not only helps us track performance but also helps identify areas for continuous improvement, ensuring our operations remain efficient, effective and aligned with government expectations.

To ensure relevance and alignment with government priorities, we adhere to the Public Benefit Entity Financial Reporting Standard 48 (PBE FRS 48) for service performance reporting. Together, the measures in our Statement of Intent and Statement of Expectations offer a clear and comprehensive view of our progress and commitment to delivering on our outcomes.

Kāinga Ora is required to report our corporate, buildings and infrastructure greenhouse gas emissions annually to meet the requirements of the Carbon Neutral Government Programme and to help us to identify the most effective options for reducing them. We provide this information in our Annual Report and directly to the Ministry for the Environment each year. Kāinga Ora is also required to obtain independent third-party assurance to ensure that our emissions inventory has been prepared in accordance with ISO 14064-1 and the GHG Protocol.

