

# FACT SHEET

## What is KiwiBuild?

KiwiBuild is an ambitious programme that aims to deliver 100,000 quality, affordable homes for first home buyers over the next decade. 50,000 of these homes will be in Auckland, to help meet the growing demand for housing stock in our biggest city.

## Why do we need KiwiBuild?

For over a decade demand for housing in New Zealand has outstripped supply. Prices are increasing and homeownership rates are falling. There is a huge unmet need for affordable homes for first home buyers, which the market hasn't been delivering. There's also a need to encourage innovation and productivity in the sector. The Government has established KiwiBuild to help address these issues.

## How will we deliver on KiwiBuild?

Construction of KiwiBuild homes will be financed by an initial \$2 billion capital injection, which will be recycled as the houses are sold. KiwiBuild will deliver 100,000 quality, affordable homes using four primary tools:

- Undertaking major urban redevelopment projects in partnership with iwi, councils and the private sector (this will deliver the bulk of KiwiBuild homes)
- Purchasing and converting existing Crown land and purchasing additional land from the private market, which will be on-sold to development partners who commit to delivering KiwiBuild homes
- Purchasing or underwriting new affordable homes off the plans (under the Buying off the Plans initiative), to de-risk suitable developments led by the private sector and others, in exchange for accelerating a greater number of homes at KiwiBuild price points
- Identifying and leveraging opportunities to procure KiwiBuild homes through existing Government-led housing initiatives, such as those being undertaken by Housing New Zealand.

The KiwiBuild programme will also be supported by initiatives across Government to streamline planning and consenting processes, and provide a catalyst for innovation in the building and construction sector, such as increased use of prefabrication and modular housing, to speed the pace of new developments. The Government is also developing a construction sector Skills Strategy and Action Plan, to help ensure the construction sector has the capability and capacity to support KiwiBuild.

Over the next ten years KiwiBuild will deliver the step-change that New Zealand's housing system needs, to support the creation of diverse, thriving communities of the future.

## Who will deliver KiwiBuild?

A KiwiBuild unit has been established within the Ministry of Business, Innovation and Employment, to start delivering on the KiwiBuild programme. This is an interim measure while the Housing Commission is being established, which will eventually take over as the driver of the KiwiBuild programme.

The Government will work with iwi, councils and private developers to deliver the KiwiBuild programme.

## Buying off the Plans

The Buying off the Plans initiative involves the Government underwriting or purchasing new homes off the plans that the private sector or others are leading, in exchange for accelerating a greater number of affordable, KiwiBuild dwellings. This initiative aims to:

- Facilitate developments that would not otherwise proceed
- Enable developments to proceed at a greater pace than initially planned
- Ensure that developments offer a more diverse, affordable mix of housing to enable more first-home buyers to get onto the property ladder.

We are targeting developers that have development-ready land and who are willing to adapt a development to include affordable KiwiBuild dwellings. This may involve amending the scale and pace of the development, changing the range of types of dwellings in a development and/or being willing to trial innovation.

Proposals are specifically being sought for developments in Auckland, Wellington, Hamilton, Napier-Hastings, Queenstown-Lakes District, Tauranga, Whangarei District and Nelson-Tasman. However, responses for other areas will also be considered.

Interested developers are invited to respond via the [Government Electronic Tenders Service](#). The application process closes on 8 June 2018.

For this initial approach to market, priority will be given to developments that are able to commence within the 2018/19 and 2019/20 years. The opportunity will be re-opened later in 2018 for further developments commencing in 2020/21 onwards.

## Information for prospective homeowners

The focus of the KiwiBuild programme is on first home buyers, recognising that New Zealand's housing system is currently failing to deliver to this segment of the market.

Further information will be available once the criteria for KiwiBuild home buyers is finalised.

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[www.kiwibuild.govt.nz](http://www.kiwibuild.govt.nz)