

From: Tim Berry
Sent: Wednesday, 30 January 2019 12:27 p.m.
To: EXT Michael Quinn
Subject: Historic sale of state housing in Wairarapa / URGENT MO: DUE 12.30PM TODAY

Good afternoon Mike

Below is an extract from a briefing note about the sale of Housing New Zealand properties in the Wairarapa in the 1990s.

Please advise if you need more info.

Kind regards
Tim

Summary of Sale of the Wairarapa state rental portfolio to Trust House in 1999 prepared in June 2012

In March 1999 the Wairarapa state rental portfolio of 541 properties was sold to Trust House Limited. The properties were located in Masterton, Carterton, Greytown, Featherston, Martinborough, Ekatahuna, Pahiatua, Woodville, and Dannevirke. At the time of the sale it was considered unnecessary for Housing New Zealand to provide state housing in Wairarapa, as there was a relatively low level of unmet housing need. Housing New Zealand continued to own several Community Group Housing properties in the region.

Trust House was formed in 1998 to operate the business enterprises owned by the Masterton Licensing Trust. The Masterton Licensing Trust currently has a 75 percent ownership share in Trust House, while the remainder is owned by the Tararua Foundation, the Rimutaka Licensing Trust, the Flaxmere Licensing Trust, the Masterton Licensing Charitable Trust, and Trust House Foundation.

The sale price of \$11.5 million was in line with the net book value of \$10.2 million and an independent market valuation by Darroch Limited of \$8.7 million to \$12.7 million. Housing New Zealand provided s9(2)(ba)

The sale agreement included a covenant preventing the sale of more than 10 properties a year for a 5-year period, excluding sales to tenants. The agreement also recorded Trust House's intention to honour existing tenancy agreements, provide rental accommodation for those in need, provide ownership opportunities to tenants, and honour tenure protection in place for over-55s and those living in modified properties. In addition, Housing New Zealand provided Trust House with all relevant information held on the properties being transferred.

In December 1998 both Housing New Zealand and Trust House wrote to the tenants affected by the sale, and made a commitment that tenants affected by the sale would not experience reduced services. Following the sale Housing New Zealand performed a monitoring role to ensure that a high percentage of low income families and priority customers were being housed. Trust House also employed two Housing New Zealand staff, which helped to ensure tenancy management continuity.

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DDI:

s9(2)(a)

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He pukenga wai, he nōhanga tāngata; he nōhanga tāngata, he putanga kōrero

From: Mike Quinn [mailto:Mike.Quinn@parliament.govt.nz]

Sent: Wednesday, 30 January 2019 11:06 a.m.

To: GRU Jobs

Cc: Rachel Kelly

Subject: Historic sale of state housing in Wairarapa

Importance: High

Hi

We have a media enquiry about public housing provision in the Wairarapa. To assist with this, can we have background information on the sale of the state housing stock in the late 1990's, please – there have been a number of briefings on this in recent years so just the key info from these will suffice.

Can I have this by 12.30pm, please?

Thanks

Mike