

# Eke Panuku Development Auckland

## Quarter 4 Performance Report

**For the period ending 30 June 2022**

This report outlines the key performance of Eke Panuku which includes regeneration of urban locations and management of Auckland Council's property assets

# Eke Panuku Q4 summary

## Highlights, issues & risks for the quarter and year

A range of activities, events and projects have been progressed this quarter, despite the impact that has been felt across the organisation from COVID-19. This has slowed momentum in some areas such as progression of public realm works, which has impacted our capital spend projections. A weakened property market has also impacted our sales targets in some areas. However, despite these challenges we have continued to work hard to progress our projects and associated activities. Based on preliminary results, we have met the majority of our SOI performance measure targets for this year. Our work with communities, through placemaking activities, stakeholder engagement and relationships with our partner organisations has enabled us to make good progress in a challenging business environment.

### Key highlights for the quarter:

- We have met most of our measured **SOI targets** for the year based on unaudited results.
- We entered into a **new investment partnership with NZ Super Fund** that will enable us to accelerate and improve the regeneration of town centres. The partnership will be focused on development opportunities in our priority locations such as Northcote and Panmure.
- In **Manukau**, our key project partners signed the **Te Whakaoranga o Te Puhinui – Puhinui Regeneration charter**, which sets out actions and a roadmap to restore the environment of Te Puhinui, the result of three years collaboration.
- **Thriving Town Centres guidance** – a key strategy document providing town centre guidelines for our priority locations is now published and available on our website.
- **Takapuna Central** - an agreement was signed with Willis Bond to build a mixed-use development over five sites surrounding Waiwharariki Anzac Square in Takapuna. Stage 1 of the square has commenced and is due to be completed in FY23.
- **Avondale Central** – we reached an agreement with Marutūāhu-Ockham Group to develop 1.58ha of land in central Avondale, a significant milestone for this centre. The partnership plans to build 750 apartments with a minimum six Homestar rating.
- **Avondale Crayford Street West Upgrade** – a project to strengthen the connection between the Avondale town centre, including future community centre, and the train station was completed in late June 2022.
- **Employee engagement survey** – our staff engagement score was 7.5 out of 10. We noticed an increase in health and wellbeing score. This reflects the support we provided through COVID-19 and implementation of our Wellbeing strategy.

### Risk and Issues:

We are seeing deterioration of the property market including lower confidence from the private sector on land sales. This is due to significant inflation costs for construction, increasing interest rates and weaker purchaser interest in the residential product given concerns over housing prices and availability of credit. A weakened property market impacts our property sale targets. Other risks include material supply, delays with statutory planning processes and staff availability. Timelines have had to be adjusted to accommodate frequently changing situations. The competitive labour market makes it hard to retain and hire skilled staff and maintain business momentum. Our people strategy, business continuity plans, partnering approach with developers and early procurement of material are some of the initiatives we are using to manage the impacts of risks and issues. The Human Rights Review Tribunal hearing in relation to the former Tavern Lane site development in Papatoetoe between Auckland Council/Eke Panuku and Ngai Tai Waipareira Housing concluded in June 2022. The Tribunal findings are yet to be released.

Financials (\$m)	YTD actual	YTD budget	Actual vs Budget
Capital delivery	41.1	86.9	↓ 45.8
Strategic Development Fund	3.1	3.9	↓ 0.8
Direct revenue	62.4	59.1	↑ 3.3
Direct expenditure	75.6	76.9	↓ 1.3
Net direct expenditure	13.2	17.8	↑ 4.6

## Financial Commentary

### Capital Delivery:

Capital delivery for the year was \$45.8m unfavourable against budget. There were a number of factors affecting the capex, after some previous good years of performance. These include delays associated with other interdependent projects such as the Northern Pathway project and delays in relation to tenant and stakeholder decisions impacting access to property for physical works. The effect of Covid restrictions on available resources including our staff, contractors and suppliers, affected early programme and project momentum especially in the first half of the financial year. Projects were affected by longer design and consenting timeframes. Material supply issues affected pricing and time frames and caused some project delays. Planned site acquisitions were also affected by Public Works Act requirements and third-party agreements.

**Direct revenue:** Revenue was favourable compared to budget for the year, largely due to additional revenue generated by commercial properties held in the portfolio longer and back dated rent reviews.

**Direct expenditure:** Direct expenditure was favourable compared to budget, savings made by Eke Panuku on professional services were partly offset by higher than expected spend on regeneration activities in placemaking and initial investigations on capital projects.

**Net direct expenditure:** This was mainly a result of increase revenue during the year.

Key performance indicators	Previous	FY 22 Quarter 4		Status	Note: The following are unaudited results for the end of year. Commentary
	Year	YTD Actual	FY Target		
Capital project milestones approved by the board achieved	82%	81%	Achieve 80 per cent or more of project milestones for significant capital projects	Target Met	Actual 81% We have completed 13 of the 16 targets set for FY22.
The asset recycling target agreed with the Auckland Council	New measure	\$35m	Achieve asset recycling target agreed with Auckland Council. (FY22 - \$115m)	Target Not Met	Sales of \$35m have been completed this year. Due to the property market downturn, the target of \$115m was not met.
Annual property portfolio net operating budget result agreed with the council achieved	New measure	\$27.1m	\$21.9m	Target Met	Actual \$27.1m Net operating result is \$5.2m ahead of target. This is mainly due to additional rental income from properties held in the portfolio longer and back dated rent reviews. This was partly offset by additional Covid-19 relief given to tenants and savings in repairs and maintenance costs.
The monthly average occupancy rate for tenantable properties	Commercial 93.9% Residential 98.8%	Commercial 93.4% Residential 97.9%	Commercial 85% Residential 95%	Target Met	Occupancy rates have been stable and above target for this year. The higher commercial occupancy rate is due to assistance from government subsidy to businesses and the Covid-19 Hardship relief provided by Eke Panuku.

# Strategic focus area – Urban Regeneration Programmes

## Key commentary

### Other Urban regeneration highlights for the quarter:

- We reached our dwelling units target at the end of June; **358 new housing units** were completed against the SOI target of 350.
- Despite a weakening property market, **\$99.4m in asset sales** was achieved across our programmes this year.
- In Whangaparāoa, we sold twenty residential sites with a combined area of around 1.35 ha to a local developer planning a low impact residential development which will add value to the neighbourhood.
- An agreement has been reached with a development partner to deliver a large full-service Build To Rent project at Auburn Street, Takapuna. This will provide new housing choices close to the Takapuna town centre.
- A 1,740sqm site has been sold to a development partner planning to deliver 123 housing units with a 6 Homestar rating on Osterley Way, Manukau.
- A site at Moore Street, Howick was sold in June for residential development of 29 terraced houses. This was a vacant property located on a 3754m<sup>2</sup> site in the Howick Village.
- New public spaces were created on the site of former America's Cup infrastructure including furnishings, two basketball courts and a multi court for public use.
- The Silo Park extension built on the site of the former Bulk Storage Tanks, was completed in May 2022.
- Tiramarama Way - a people and bike-friendly laneway within Wynyard Quarter was completed in June 2022.
- Henderson - the concept design of Wai Horotiu (Oratia Link) cycleway and bridge was endorsed by the Henderson-Massey Local Board in June 2022.
- Placemaking - The Eke Panuku team organised Matariki celebrations across our programmes in June 2022 including a major two-day festival in central Manukau.

### Risk and Issues:

- Our team has been dealing with escalating antisocial issues down around Wynyard Quarter and the Waterfront. Examples of issues include graffiti and vandalism, vehicle noise (siren vehicles) and speeding, drug and alcohol abuse, street parties, violence and safety after hours. We are working closely with Council, AT, NZ Police and our security team to deal with these issues.
- Key risks and issues are covered in the summary page of the quarter 4 report.

## Strategic context

### Urban regeneration:

Eke Panuku plays a significant role in achieving the Homes and Places and Belonging and Participation outcomes in the Auckland Plan. Eke Panuku leads the redevelopment of town centres, the creation of public spaces for the future, and facilitates housing and commercial development, fundamental elements of comprehensive urban regeneration. The priority location High Level Project Plans and associated masterplans provide a roadmap for redevelopment.

# Transforms, Unlocks and Regional

Areas	Status (Multi-year programme)	Financials YTD Actuals/Budget	Key deliverables for QTR
<p><b>Waterfront</b></p> <p>(Wynyard Central and Westhaven)</p>	<p><b>On track</b></p>	<p>\$10.9m / \$21.2m</p>	<p><b>Key highlights for the quarter:</b></p> <p><b>Wynyard Quarter:</b></p> <ul style="list-style-type: none"> <li>• <b>Tiramarama Way</b> is a people and bike-friendly laneway within Wynyard Quarter, an important east-west link from Halsey to Beaumont Streets. Stage two of the works (between Daldy and Beaumont Streets) was completed in <b>June 2022</b>, bringing to life the vision of an east-west laneway through the precinct that has been planned since 2012.</li> <li>• <b>Silo Park extension</b> – The removal of the Bulk Storage Tanks allowed the Silo Park extension to be constructed. Phase 2 of the project was completed in May 2022, a significant milestone for the Waterfront programme and marked the achievement of one of our FY22 SOI capital milestone targets.</li> <li>• <b>New public spaces</b> were made available on the site of former America’s Cup infrastructure including plant boxes and benches, two basketball courts and a multi court. Public realm works completed totalling 18,515 sqm.</li> <li>• <b>Ūrunga Plaza</b> – Balustrades have recently been installed to make the edges along the public space of the plaza area safer for the public. This follows a health and safety review of the waterfront, which identified the area as a fall from height risk for the public.</li> <li>• <b>Market Square public realm upgrade</b> - The concept design was endorsed by the Waitemātā Local Board on 17 May 2022. The timing and scope of the project is currently under review.</li> <li>• <b>City of Colour exhibition</b> - The city-wide exhibition of over 50 art and light installations called ‘City of Colour’ took place from 6 – 22 May 2022, to attract visitation back into the city centre. This included installations around the waterfront.</li> </ul> <p><b>Westhaven:</b></p> <ul style="list-style-type: none"> <li>• <b>Westhaven Marine Village</b> - Solar panels have been successfully installed on the roof of the Westhaven Marine Village. The solar energy generated from the installed PV panelling will pay for itself over time and the building will become more energy self-sufficient.</li> <li>• <b>Westhaven stakeholder engagement</b> – The Westhaven Marina user forum was held in June 2022. With over 100 in attendance, it was an opportunity to reconnect in person with the marina users after two years of lockdowns. The Marina team also met with the Saint Mary’s Bay residents group to run through the Westhaven delivery plans, including the Harbour Bridge Park and seawall replacement.</li> <li>• <b>Westhaven Harbour Bridge Park</b> – The concept design for the park was endorsed in March 2022 by the Waitemātā Local Board. A hikoi with Mana Whenua and a design workshop were held in June 2022 and the design of the space is being progressed.</li> </ul>

<p><b>Central</b></p> <p>(City Centre, Maungawhau and Karanga a Hape)</p>	<p><b>On track</b></p>		<ul style="list-style-type: none"> <li>• <b>City Centre</b> – A Planning Committee decision in November 2021 endorsed Eke Panuku in a new role as lead agency for the implementation of the City Centre Masterplan, with the city centre added as a priority location. During quarter 4, we have been progressing through the discovery and transition phase to continue to build our understanding of the new location. A joint City Centre Steering Committee has been appointed to oversee this new approach. The establishment plan has a core focus on one team, one voice and one plan which is underpinned by six key workstreams including the development of an integrated implementation plan that will realise the vision of the City Centre Masterplan (CCMP).</li> <li>• <b>City Centre Recovery plan</b> – Eke Panuku, working with the council group, has prepared a recovery plan for the city centre. The purpose is to encourage people back into the city centre and help ensure that their experience is a positive one. The plan targets residents, students, workers and visitors to the city centre.</li> <li>• <b>Maungawhau and Karanga a Hape Precinct Development Programme</b> – completed infrastructure assessments for the precinct. These are now being analysed to determine what the funding and financing requirements are needed to enable development across the precinct. The development and public realm strategies are underway and expected to be completed in the first half of FY23.</li> </ul>
<p><b>Isthmus</b></p> <p>(Onehunga &amp; Panmure)</p>	<p><b>On track</b></p>	<p>\$2.4m/\$3.8m</p>	<p><b>Onehunga:</b></p> <ul style="list-style-type: none"> <li>• <b>Waiapu Precinct (public realm)</b> - The subdivision resource consent application has been lodged with Auckland Council. This is an important step to enable public realm and mixed-use developments to progress. Once granted, it will provide a consent envelope for infrastructure enabling works to be undertaken.</li> <li>• <b>Onehunga Wharf Masterplan &amp; Plan Change</b> - Development plans for the wharf masterplan and staging are presently being costed, along with the remedial work options for the dilapidated wharf structures. Mana whenua feedback on their priorities for restoration of the mauri of the waterfront have been received and a Take Mauri Take Hono cultural values framework prepared by mana whenua for the Onehunga Wharf and Waterfront proposals.</li> <li>• <b>Onehunga programme masterplan</b> - The Technical Advisory Group (TAG) recently reviewed a refreshed draft of the Transform Onehunga programme masterplan which received positive feedback. The plan has an enhanced focus on the town centre precincts and seeks to leverage the planned investment in the light rail.</li> <li>• <b>Upper Municipal Place site sale</b> – this site in Onehunga was sold with a residential development agreement in June 2022. and is contributing to the development of the 102 unit Onehunga Mall Club development.</li> </ul>

**Panmure:**

- **Basin View precinct** – the masterplan was endorsed by the Maungakiekie-Tāmaki Local Board on 28 June 2022. This is a significant milestone for the Unlock Panmure programme that enables public engagement to get underway on the plans for the precinct and the wider environs.
- March 2022 saw the formal opening of a pop-up exhibition supported by Ngati Paoa marking the 200-year commemoration of the Mokoia Pa. Mokoia is the pa site on the Tamaki River near by the Panmure Bridge. Great support and feedback have been received.
- A preferred contractor was identified for the construction contract for the upgrade of the Clifton Court streetscape and play facilities in June 2022. These works will create a new flexible social and interactive space for people to enjoy in the heart of Panmure town centre.
- 14 businesses participated in Making it Panmure photography exhibition, reflecting local stories and building trust.
- Public consultation was initiated on the proposed upgrade of the **Panmure Lagoon Basin Edge Reserve** to include expanded public access to green space, high quality amenities, enhanced waterside walkway and resting points and improvements to the existing skatepark.

North  
(Northcote and Takapuna)

On track

\$6.8m / \$10.9m

**Northcote:**

- **Te Ara Awataha** is a regenerative stream restoration and open space project that goes through the Northcote town centre and connects to the surrounding residential area. Construction of the sections of the project along the edge of Northcote Intermediate and Onepoto Primary, and at Greenslade Reserve are progressing towards completion in quarter 1 of FY23.
- In quarter two, the home of **Northcote's new community hub** was announced. The existing library site had been chosen by the Kaipātiki Local Board. The process to select a design team commenced in May 2022.

**Takapuna:**

- An agreement was signed with Willis Bond to build **Takapuna Central**, a \$400m mixed-use development over five sites surrounding the Waiwharariki Anzac Square, stage one of which is under development.
- **Auburn Street site sale** - We have reached an agreement with a development partner to deliver a full service Build To Rent project on the remaining land beside the Toku Puia carpark. This is the first of this type of development for Eke Panuku, a large build to rent development close to the Takapuna town centre. The project will provide communal amenity and services and provide renters the security of tenure not currently offered by the non-institutional market. The development will be mixed-use with a combination of hospitality and apartments.
- **Takapuna War Memorial relocation** – Eke Panuku met with the RSA, mana whenua and Auckland Council teams in June 2022 to discuss options for the relocation of the Takapuna War Memorial. The group agreed that Waiwharariki Anzac Square or the Hurstmere Green seemed the most suitable locations for the memorial. Another workshop is being arranged to discuss options within these two spaces.



## South

(Manukau, Papatoetoe and Pukekohe)

On track

\$3.9m / \$12.4m

### Manukau:

- **Osterley Way site sale** - We have sold the 1,740sqm site, currently a car park and is zoned for high-density residential and commercial. Our development partner Kāinga Ora is planning to deliver 123 homes. Construction is proposed to begin in March FY23 and will take approximately two years. The project will be delivered to meet a 6 Homestar rating.
- **Wiri walking and cycling bridge replacement** - Construction started in May 2022. These works will improve access, safety and observation into the reserve and create a connection between the Wiri Stream Reserve, new homes at Kōtuitui and the town centre. Works are expected to be completed in August 2022.
- **Manukau Sports Bowl Investment** - Community engagement began in April 2022 and was completed in May 2022. The concept design is now being finalised and is expected to be presented to the Ōtara-Papatoetoe Local Board in early FY23. The master planning is led by council's Service Strategy and Integration team to guide future development and use of the park.
- **Placemaking: Matariki Ki Uta (Manukau)** - a two-day festival centred around storytelling, kai and whānau was held in the Manukau Civic Square in Osterley Way on 23-25 June 2022. This festival was part of our wider placemaking programme for Transform Manukau, and we produced the event in conjunction with local partners.
- **Perceptions of safety** - recent survey results show that perceptions of safety in Manukau civic space have increased from 26% in 2017 to 73% in 2022, a particularly significant result given the challenging covid-19 context over recent years. This increase is likely a result of a combination of placemaking and engagement with the community, activations, operations and new developments bringing people to the centre such as the MIT, Ramada Hotel, Kōtuitui Housing as well as the improved access with the bus and train stations.
- A major milestone was reached in our work alongside mana whenua leading the development of **Te Whakaoranga o Te Puhinui - The Puhinui Regeneration Strategy**. The strategy charter was signed by Council, Eke Panuku, iwi, Kāinga Ora and local board representatives in May 2022.

#### Papatoetoe:

- **Cambridge Terrace site sale** -This ex- Papatoetoe Borough Council property was a works depot and for community use, generating little or no revenue. The 4,000m2 site is zoned for Town House and Apartment development. We sold the property to New Zealand Housing Foundation to build 29 new affordable homes.
- **Placemaking:** The Pacific Fusion Fashion show event, held on St George Street in May 2022 was a major success. We produced this event in conjunction with local partners as part of our placemaking mahi in Old Papatoetoe.

#### Pukekohe:

- **Edinburgh Street superblock and acquisition** – A key location in the heart of Pukekohe which will be redeveloped to better connect King Street with the library and civic facilities on Massey Avenue. We are progressing the acquisition of key sites that will enable a holistic integrated development. The purchase of a site on Roulston Street was settled in June 2022.
- **Devon Lane** – a trial to make the lane one-way was put in place in April 2022. This was to make it safer to walk around the town and to create outdoor dining spaces, bringing more people into the town centre. Feedback on the trial closed mid-June 2022. Feedback is currently under review and will be considered in the final direction of Devon Lane.
- **Roulston Park playground and skate park upgrade** – three community activation events were held over the quarter to seek feedback on the concept design of the playground and options proposed for the skate park. A good level of community engagement has been achieved with numerous comments received.

West  
(Avondale and Henderson)

On track

\$4.6m / \$5.8m

**Avondale:**

- **Avondale Central, Racecourse Parade site sale** – we reached an agreement with Marutūāhu-Ockham Group, comprising of five mana whenua iwi and Ockham Residential, to develop 1.58ha of land in central Avondale. The development site is in the centre of Avondale and represents a significant opportunity to support the ongoing regeneration of Avondale, providing much needed homes and improving the vitality of the town centre by encouraging new businesses and employment opportunities in this key city fringe neighbourhood. The partnership plans to build 750 apartments in eight blocks of up to 10 storeys. It will be built to a minimum six Homestar rating with outdoor areas and a public walkway joining the housing to the planned new town square, library and community centre being delivered by the council group.
- **Avondale Crayford Street West** – a project to strengthen the connection between the town centre and the train station. Works were completed in late June 2022.
- **New parking spaces at Racecourse Parade** – Works to provide an additional 30 parking spaces to support Avondale’s upcoming library, community hub and upgraded town square began in May 2022 and expected to be completed later in FY23. Eke Panuku is building the car park on behalf of Community Facilities and will be handed over for them to manage when it is completed.
- **Aroha apartments on Great North Road** - Construction is progressing well on the Ockham and Marutūāhu housing development. This is a site we sold to Ockham. Estimated construction completion date is February 2023, delivering 117 new homes to the area of which 47 homes are Kiwibuild.
- **Placemaking** – A number of low-key placemaking events were held to celebrate Matariki in Avondale. This included a night time bike ride and members from the Auckland Astronomical Society being on hand to help people locate the Matariki Stars and explain their significance to mana whenua.
- Twelve months of street art on the **Avondale Pavilion** connecting with artists and Rangatahi.

**Henderson:**

- **Wai Horotiu (Oratia Link) cycleway and bridge** – the concept design was endorsed by the Henderson-Massey Local Board in June 2022. The local board also confirmed the retirement of the Neweys Reserve pathway as part of the project.
- **Alderman Drive carpark site sale** – A site sale with a residential development outcome encompassing sustainable design. Capital works are now complete, and the development partner is also progressing with their resource consent.

## Regional

(Haumaru, Support, Corporate Property, AT/Eke Panuku transit orientated development programme, Service Property Optimisation & Regional Programme, Renewals)

On track

\$2.7m / \$7.9m  
(Regional)

### Haumaru:

- A site in **Greenslade Crescent, Northcote, a tired housing village** will be redeveloped by Kāinga Ora to deliver more housing for older people. A **resource consent** was granted to Kāinga Ora on 3 June 2022 and work is expected to begin in early 2023. Once built, Haumaru Housing will manage the site.

### Supports:

- **A site on Moore Street, Howick** was sold on 23 June 2022 with a residential development agreement. This is a vacant commercial property located on a 3754m<sup>2</sup> site in the Howick Village. We reached a development agreement with a partner to build 29 terraced houses comprising, a mix of 2- and 3-bedroom units. The building of these homes will allow more people to live in the heart of Howick Village.
- The Request for Development Partner process began on 17 March 2022 for the **Downtown Car Park site**. The process concluded on 5 July 2022. Following an evaluation of the proposals, should a preferred party be selected, negotiations will begin towards a development agreement. This development will see a high-quality mixed-use development in the heart of the city centre.

### Service Property Optimisation:

- Meadowbank Community Centre Redevelopment - the Orakei Local Board resolved to support the preferred development partner progressing with a resource consent application for the development of 29-31 St Johns Road, Meadowbank. This is a key milestone reached to progressing the development.

# Strategic focus area – Property Management Services and Programme

## Key commentary

### Highlights:

- **Property Portfolio net budget surplus** of \$27.1m achieved against target of \$21.9m
- **Occupancy %** - Our average residential occupancy percentage for the year is 93.4% commercial and 97.9% residential. These were both above annual target.
- **Arrears %** - 9.4% commercial and 1.7% residential, both results were below targets.
- Emirates Team New Zealand has reached an agreement with Eke Panuku and Tātaki Auckland Unlimited to move out of the **Viaduct Events Centre** on the waterfront and relocate to the former Team INEOS base. This will enable Tātaki Auckland Unlimited to reopen the centre for business and events in 2023.
- Marina Management Service – the percentage of marina customers surveyed who are satisfied with marina facilities and services are at a high 90%, this is above the target of 80%.
- The **Westhaven Marina** has been awarded a **4 Gold Anchor** international accreditation by the Marina Industries Association (MIA). This is the first marina in New Zealand to win the global accreditation. The accreditation recognises the quality of the facilities, operations and customer service and the commitment to continual improvement.

### Issues/Risks

- Continue to manage the impacts of Covid-19 on our staff, tenants, berth-holders, contractors and others.
- Monitor and manage financial impacts of Covid-19 on commercial and other tenants
- Rent arrears is an area we will continue to monitor, due to ongoing risk of business failure. We will continue to support tenants with our Hardship framework.
- Implementing our people strategy to manage the loss of skilled staff due to the competitive employment market.

## Strategic context

### Property management services and programme:

The delegations from Auckland Council enable Eke Panuku to manage council's property assets including commercial, residential and marina infrastructure, to optimise return from these assets, or to facilitate redevelopment incorporating a service delivery function.

Key programme of works	Status	Description	QTR progress and Annual forecast
Property and Marina Services	On track	<p>Managing the council's assets/property including commercial, residential and marinas to optimise return from these assets for the council.</p> <p>This includes tenancy and berth marketing and leasing, property maintenance, financial management and customer services.</p>	<p>The property management business continues to successfully operate under the Covid-19 Protection Framework. The Property Portfolio and Marina businesses successfully applied its business continuity plans to manage the impact of Covid-19 on staff and the business.</p> <p>The Property Portfolio performance targets in the SOI have been achieved.</p> <p>Demand for Westhaven and Viaduct Marina berths remains strong.</p>
Capital delivery (Marina)	Partially delayed	Maintaining and renewing marina assets, providing marina services and optimising returns for the council.	<p>Delays were caused by material shortages and longer lead time affected projects, delay in consents and design, some relating to consultant availability. Stakeholder and tenant engagement also affected the timing. Projects impacted included Shed 10 on Queens Wharf, 27 Princes St and Bascule Bridge in the Viaduct Basin.</p>
Property Renewals programme		Maintaining and renewing existing assets, as good custodians of council non-service assets, optimise portfolio return and enable assets for public use.	

Key programme	Status	Description	QTR progress and Annual forecast (Details are in the Urban Regeneration Programme Section)
Strategic and town centre planning programme  <i>(Urban Regeneration)</i>	On track	Some projects in the planning phase where the focus is on developing the vision, outcomes and assessing future development opportunities. Where plan changes are required, this is undertaken with the council.	<ul style="list-style-type: none"> <li>In quarter 4, the <b>Panmure Basin View precinct</b> masterplan was endorsed by the Maungakiekie-Tāmaki Local Board.</li> </ul> <p><b>Completed and reported in previous quarter reports:</b></p> <ul style="list-style-type: none"> <li>Plans approved - The Wynyard Quarter <b>Te Ara Tukutuku Plan</b> was developed with mana whenua and stakeholders and supported by the Planning Committee. The updated <b>masterplan for Papatoetoe</b> was endorsed by the Ōtara-Papatoetoe Local Board. The <b>concept design for Harbour Bridge Park</b> was endorsed by the Waitemātā Local Board.</li> <li>Thriving Town Centres – a key strategy document providing town centre guidelines for our priority locations was approved by the Board and endorsed by the Planning Committee in March 2022. This outlines the regeneration approach, setting out the principles and toolbox for thriving centres. The document will also guide others that invest in the town centres such as the crown, private sector, third sector and other potential partners in the town centre regeneration outcomes.</li> </ul>

<p>Public good investment programme <i>(Urban Regeneration)</i></p>	<p><b>Partially delayed</b></p>	<p>The public good investment programme includes projects at different stages: design, consenting and construction delivery. These projects contribute to the regeneration of priority locations.</p>	<p>The public good investment programme is partially delayed due to issues around constrained material supply, increased costs, delays with statutory planning processes and Covid-19 staff illness within our organisation and our partnering organisations. This has meant that timelines have needed to be adjusted for some projects. Other factors include the delay of three Waterfront projects due to the cancellation of the Northern Pathway project by the government, stakeholder and tenant issues affecting timing of works and consultant availability.</p>
<p>Strategic Acquisitions programme <i>(Urban Regeneration)</i></p>	<p><b>On track</b></p>	<p>Progress strategic site acquisitions to support urban regeneration.</p>	<p>In Quarter 4 Eke Panuku purchased 1 Roulston Street, Pukekohe as part of the Unlock programme, an acquisition which will be part of a planned commercial development in the future with interim placemaking activations and events to begin with. The strategic acquisition programme in Northcote town centre has been completed. This will enable the central development block to be taken to the market next financial year to find a development partner.</p>
<p>Property Development programme <i>(Urban Regeneration -Transform and Unlock sales)</i></p>	<p><b>On track</b></p>	<p>Progress site sales to support urban regeneration through development agreements to achieve housing and mixed-use development outcomes and provide council with funds for reinvestment.</p>	<p>Transform and Unlock asset sales of \$64.4m was achieved against target of \$48m that will contribute to regeneration outcomes, and \$35m was achieved against target of \$115m for the asset recycling target that goes to council. Over this financial year, we have completed all the necessary processes to achieve this target with respect to getting the properties on the market in good time and through working with credible developers. However, as a consequence of the market changing, there is now less interest by property developers in those sites that are in good locations and were of interest to large significantly funded developers looking for multi-year pipelines.</p>



<p>Asset Recycling programme</p> <p><i>(Urban Regeneration – all other sales)</i></p>	<p><b>Partially delayed</b></p>	<p>Deliver our share of the council’s 10-year budget annual asset recycle target. Asset sales proceeds are returned to the council for reinvestment.</p>	<p>We are seeing a deterioration of confidence from the private sector on land sales where residential development is to be undertaken. This is due to significant inflation costs for construction, increasing interest rates, reducing purchaser interest in residential product given concerns over housing prices and availability of credit.</p> <p>The good news is that a number of the material land sales/developments will be under contract, and we will continue to work through these developments with a view to concluding them in FY23.</p>
<p>Placemaking programme</p> <p><i>(Urban Regeneration)</i></p>	<p><b>On track</b></p>	<p>Ongoing placemaking programmes help to build trust, maintain and build the vitality of the centres and support for urban regeneration, and ensure that residents and businesses are part of changes happening in their communities.</p>	<p>We have completed a number of programmed events and activations for the year such as contribution to the wider council City of Colour exhibition Night Lights, Dragon Boat Festival, 2-day Matariki ki Uta festival in Manukau, Purpose/Use/Cycle Fashion Show in Manukau, Matariki Night Ride in Avondale and the He Pia He Taura new iteration of Hikoi Ki Ngā Whetu (Walk to the Stars).</p> <p>Placemaking events and activities continue to operate successfully under the Covid-19 Protection Framework settings. Activities successfully completed in the quarter are contained in the individual priority location programme updates for the quarter.</p>

# Other statement of intent focus areas

## Climate change and sustainability

- Eke Panuku released the Downtown Car Park Request for Development Proposal with minimum rating ambitions of **Green Star 5 and Homestar 8**. This request also included all Eke Panuku sustainable procurement objectives of local supplier utilisation, quality employment, supplier diversity, waste minimisation, and carbon emissions.
- **Sustainable procurement targets** have been adopted for waste and supplier diversity. Zero waste covers zero waste events and a deconstruction focus for capital works and development agreements.
- Eke Panuku continues to support ‘Te Whakaoranga o Te Puhinui’ through strategic initiatives and a capital works programme. This includes reinstating wetlands, stream naturalisation and significant ecological planting. The project team currently consists of 88% Māori and mana whenua suppliers. A key initiative includes the development of an ‘Arotakenga’ monitoring and evaluation tool which will use dual Matauranga and Western science lenses to measure the uplift in wellbeing through the programme.
- Implementation of the Northcote Zero Waste Action Plan continues. Community interactions are progressing via the Northcote Zero Waste Hub with a range of successful events and workshops delivered and waste streams collected for reuse and recycling, including curtains, polystyrene and batteries. A construction and deconstruction workstream will ensure planning and collaboration takes place between Eke Panuku and its partners across the Northcote project.
- Eke Panuku continues to support the delivery of Te Ara Awataha. Stage 1 School’s Edge and Greenslade Reserve are nearing completion and include significant integrated Stormwater Elements (daylighting and wetland cells).
- Future fit has been launched with staff to facilitate action by staff to understand and reduce their carbon footprints.
- The latest iterations of Green Star, V1.1 and Homestar, V5 have been released by the NZ Green Building Council. We have undertaken work to support our development partners to achieve our specified credits.

## Māori Outcomes

- **Engagement** – We carried out a number of engagements during the quarter.
  - We concluded a recruitment process to appoint a Māori member to the Technical Advisory Group (TAG) that reviews all design work within our portfolio. This provides a Māori perspective to design.
  - We engaged mana whenua-nominated technical advisors to provide mana whenua advice (over several months) to engage with us on the development of the Onehunga wharf masterplan.
  - We involved mana whenua in the procurement of the consortium (Toi Waihanga) to design the future Te Ara Tukutuku headland (Wynyard Point).
- **Culture and identity**
  - Appointing artists to join the design team for the Aotea Over Site Development.
  - We started a procurement process to appoint an artist to build an artwork on the corner of Madden and Daldy Street in Wynyard Quarter. At present, a selection panel has identified three artists to work on a concept design.
  - We appointed a mana whenua-nominated artist to work with the private developer on a site in the Waiapu Precinct in Onehunga.
  - Mana whenua approved the concept design prepared by artists for the new Sealink Ferry Terminal building.
- **Commercial opportunities**
  - Our board approved the establishment of an Iwi Development Fund to support mana whenua to access commercial opportunities.
  - Our executive involved mana whenua in the refresh of our Selecting Development Partners Policy. The potential changes could support mana whenua to bid on sites within our property portfolio.

## CCO Review Implementation

- Eke Panuku is supporting the Joint CEs Group and Governance team to finalise implementation of remaining recommendations. This will include discussion of the Eke Panuku future programme and funding model as part of the next long-term plan process in 2023/4.

## Collaboration and Engagement programme

- Following robust engagement, the Wai Horotiu Henderson Connection (formerly Oratia Shared Path) concept design was endorsed by the Henderson-Massey Local Board, enabling further design work to continue. The connection will bridge the current gap in walking and cycle paths between Tui Glen Reserve (behind Westwave) and Vitasovich Avenue, along Edmonton Road. Further community engagement is planned as further design refinement and feasibility investigations progress.
- In Manukau, representatives from Auckland Council, Te Waiohū iwi (Ngaati Tamaoho Waiohū, Ngaati Te Ata and Te Ākitai Waiohū), Kāinga Ora, Eke Panuku Development Auckland, and the Ōtara-Papatoetoe and Manurewa local boards pledged their commitment to the regeneration of the Puhinui stream by signing the Puhinui Regeneration charter (Te Whakaoranga o Te Puhinui). Several other key community partners also signed a register of support for the charter.
- In May, Silo Park in Wynyard Quarter featured prominently in the City of Colour activation, with light installations and an outdoor photo exhibition drawing people to the newly upgraded and extended public space. Westhaven Marina also hosted the Night Lights Dragon Boat Festival as part of the celebrations, bringing together one of Auckland's beloved waterfront hobbies and unique cultural experiences.
- Following close collaboration with the Panmure Business Association and local businesses in the area, we installed two parklets on Queens Road, enabling visitors and local foodies to enjoy outdoor dining, drawing more people to the town centre.
- In Panmure, new wayfinding signage was installed and used as an opportunity to celebrate local amenities and natural heritage, while giving locals and visitors easier access to local art, historic locations and outdoor dining options. Through engaging the community, this initiative will help connect locals with what is important to them in their town centre.

# Eke Panuku Q4 financials



## Direct operating performance

(\$ million)	Notes	FY 21	FY 22 Quarter 4 YTD			FY 22
		Actual	Actual	Budget	Variance	Budget
Net direct expenditure		15.3	(17.9)	(22.1)	4.2	22.1
Direct revenue		16.2	16.3	15.3	1.0	15.3
Fees & user charges		0	0	0	0	0
Operating grants and subsidies		-	-	-	-	-
Other direct revenue	A	16.2	16.3	15.3	1.0	15.3
Direct expenditure		31.5	34.2	37.4	3.2	37.4
Employee benefits		25.7	28.6	28.8	0.2	28.8
Grants, contributions & sponsorship		-	-	-	-	-
Other direct expenditure	B	5.8	5.6	8.6	3.0	8.6
Other key operating lines						
AC operating funding		15.7	18.3	22.1	(3.8)	22.1
AC capital funding		0	0	0	0	0
Vested assets		-	-	-	-	-
Depreciation		0.3	0.3	0	(0.3)	0
Net interest expense		0	0	0	0	0



## Financial Commentary

Overall, the operating performance of Eke Panuku was \$4.2m favourable to budget, and the draw down of funding from Council required to maintain Eke Panuku at a net zero position was \$3.8m less than budgeted.

A: Other direct revenue was \$1.0m favourable to budget, most of this revenue is generated through Eke Panuku staff charging time to council projects.

B: Other direct expenditure was \$3.0m favourable to budget, this is spread over a number of expense areas, notably professional services and insurance costs were \$1.9m less than budget as some anticipated workstreams were not undertaken, or were able to be achieved through internal resources.

# Auckland Council Portfolio Q4 financials managed on behalf of Auckland Council

## Direct operating performance

(\$ million)	Notes	FY 21	FY 22 Quarter 4 YTD			FY 22
		Actual	Actual	Budget	Variance	Budget
Net direct revenue		15.0	4.7	4.3	0.4	4.3
Direct revenue	A	56.4	46.1	43.8	2.3	43.8
Fees & user charges		0	1.3	1.3	0	1.3
Operating grants and subsidies		-	-	-	-	-
Other direct revenue		56.4	44.8	42.5	2.3	42.5
Direct expenditure	B	41.4	41.4	39.5	(1.9)	39.5
Employee benefits		1.8	0.1	0	(0.1)	-
Grants, contributions & sponsorship		-	-	-	-	-
Other direct expenditure		39.6	41.3	39.5	(1.8)	39.5
Other key operating lines						
AC operating funding		-	-	-	-	-
AC capital funding		-	-	-	-	-
Vested assets		-	-	-	-	-
Depreciation		12.9	19.9	18.1	1.8	18.1
Net interest expense		0	(0.1)	(0.5)	(0.4)	(0.5)

## Financial Commentary

The financials in the table represent the Auckland Council portfolio managed by Eke Panuku. These exclude the net direct revenue of \$4.7m that Eke Panuku has generated for properties managed for Auckland Transport which is above budget by \$2.2m. In addition, a \$7.2m dividend has been paid to Council's Solid Waste team from the Waste Disposal Services investment, managed by Eke Panuku.

Overall net revenue of \$4.7m is favourable compared to budget.

The main explanations relate to:

A: Direct revenue was \$2.3m favourable compared to budget. Commercial property revenue was \$2.3m favourable to budget, even after \$1.6m in Covid-19 relief has been credited to tenants. Additional rental income has been generated from tenancies at Bledisloe House and carpark and through additions to the portfolio. Also back dated rental payments have been received after successful negotiations of rental increases.

B: Direct expenditure was \$1.9m unfavourable to budget, \$0.9m of costs incurred during Covid-19 lockdowns on capital projects in FY20 and FY21 that were transferred to opex this year per instruction from Financial Control. There was further additional spend on regeneration activities in our Priority Locations, this spend was in relation to placemaking and initial investigation work on our capital projects.

# Eke Panuku Q4 performance measures

Key performance indicators	Previous	FY 22 Quarter 4		Status	Commentary
	Year	YTD Actual	FY Target		
<p>Eke Panuku has a total of 12 SOI performance measures, one has no target this year.            Of the 11 performance measures for FY22, 9 have met target and 2 have not met target this year.            Note: These results have yet to be audited .</p>					
<b>SOI performance measures</b>					
1. Net new dwellings (housing units)	New measure	358	Annual - 350 net new dwelling units.	<b>Target Met</b>	Actual 358 net new dwelling units. Dwellings were completed at Flat Bush Road in Ormiston, in the Airfields Hobsonville, St Georges Road Avondale, Barrowcliffe Place Manukau and Madden St, Wynyard Quarter.
2. Commercial / Retail gross floor area (GFA) or net lettable area (square meter)	New measure	Not measured	Annual - 0	N/A	There were no projects completed with commercial GFA, due to the development partner's timing of commercial projects.
3. Public realm – square meters	New measure	23,065 sqm	Annual - 21,000 sqm	<b>Target Met</b>	Actual 23,065 sqm  Public realm works were completed in Avondale, Manukau, the Waterfront - Tiramarama Way, Silo Park extension, Eastern Viaduct Quay St intersection works, and enabling public access to new and upgraded areas of the Wynyard Quarter.
4. Capital project milestones approved by the board achieved <i>- LTP performance measure</i>	82%	81%	Achieve 80 per cent or more of project milestones for significant capital projects	<b>Target Met</b>	Actual 81%  We have completed 13 of the 16 targets set for FY22.

Key performance indicators	Previous Year	FY 22 Quarter 4		Status	Commentary
		YTD Actual	FY Target		
<b>SOI performance measures</b>					
5. Achieve total board approved budgeted Transform and Unlock (T&U) net sales for the financial year through unconditional agreements  <i>Note: These site sales also enable housing and wider urban regeneration outcomes.</i>	\$21.1m	\$64.4m	Meet \$48m T&U annual unconditional sales approved by the Board	<b>Target Met</b>	Actual \$64.4m  Completed sales of Avondale Central, Paynes Lane in Onehunga and a number of long term lease agreements in the Waterfront contributed to exceeding the target.
6. Annual property portfolio net operating budget result agreed with the council achieved  <i>- LTP performance measure</i>	New measure	\$27.1m	\$21.9 million	<b>Target Met</b>	Actual \$27.1m Net operating result is \$5.2m ahead of target. This is mainly due to additional rental income from properties held in the portfolio longer and back dated rent reviews. This was partly offset by additional Covid-19 relief given to tenants and savings in repairs and maintenance costs.
7. The monthly average occupancy rate for tenantable properties  <i>- LTP performance measure</i>	Commercial 93.9%  Residential 98.8%	Commercial 93.4%  Residential 97.9%	Commercial 85%  Residential 95%	<b>Target Met</b>	Occupancy rates have been stable and above target for this year. The higher commercial occupancy rate is due to assistance from government subsidy and the Covid-19 Hardship relief provided by Eke Panuku.
8. The percentage of marina customers surveyed who are satisfied with marina facilities and services	94%	90%	80%	<b>Target Met</b>	A high level of customer satisfaction achieved.

<p>9. The asset recycling target agreed with the Auckland Council</p>	<p>New measure</p>	<p>\$35m</p>	<p>Achieve asset recycling target agreed with Auckland Council. (FY22 - \$115m)</p>	<p><b>Target Not Met</b></p>	<p>Sales of \$35m have been completed this year. Due to a recent decline in the property market, the target of \$115m was not met.</p>
<p>10. Creating positive outcomes for Māori</p> <p>Deliver 50 ongoing or new initiatives that support Māori Outcomes</p> <p><i>This activity is supported through the delivery of the Mana Whenua Outcomes Framework.</i></p>	<p>45</p>	<p>51</p>	<p>50 initiatives that support Māori Outcomes</p>	<p><b>Target Met</b></p>	<p>51 initiatives have been completed this year. This is activities created by delivering our work programmes and responding to the initiatives in the Mana Whenua Outcomes Framework.</p>
<p>11. Enhancing the relationship between Eke Panuku and mana whenua.</p> <p>Increasing the percentage of satisfaction with the support they receive from Eke Panuku.</p>	<p>New survey</p>	<p>50%</p>	<p>Baseline survey</p>	<p><b>Target Met</b></p>	<p>A baseline survey has been set. 50% satisfaction was achieved (20% was neutral).</p>
<p>12. Complaints received by Eke Panuku are resolved.</p> <p><i>Note: This is a new performance measure. The actual result for FY22 as a baseline will help set future targets.</i></p>	<p>New measure</p>	<p>34%</p>	<p>80% of complaints are resolved within 10 working days</p>	<p><b>Target Not Met</b></p>	<p>Actual 34%</p> <p>A total of 38 complaints have been received this year, of these 13 have been resolved within 10 working days. A number of complaints were related to one project which took longer than 10 days to resolve issues, significantly affecting the overall result. This is a new performance measure and further work on the process and methodology will be undertaken.</p>