9.1 Update on Housing Programme - October 2026

PURPOSE

The purpose of this report is to provide the Strategy and Policy Committee with an update on the Housing Programme, including key achievements, current activities and planned next steps.

OFFICER RECOMMENDATION

That the Strategy and Policy Committee receives the report - Update on Housing Programme - October 2026 and notes current activity and next steps

KEY INFORMATION

PROGRAMME VIEW

On 6 August, the Strategy and Policy Committee noted the following programme view. This report provides an update on progress against the programme. Progress against the key workstreams is outlined below.

Programme View | August 2026

Standalone Entity Charitable Housing Trust		Funding Options Level of investment established - now what are the options for Council to support the Trust		Viability and Costs of Current Portfolio Led Operationally Analysis and proposed actions	
Recruitment of Trustees	Aug-Oct 26	Early assessment	Aug-Oct 26	Confirm financial viability	Aug-Sep 26
Trust deed signing	Dec 26	Options worked up alongside LTP	Oct-Nov 26	Review policy	Aug Sep 26
Trust commences planning Relationship, Detailed Development	Dec 26 - May 27	Consultation via LTP	Feb 27	Review application and collection against policy	Aug-Sep 26
Relationship agreement finalised	May 27	Decisions on option	June 27	Propose short term actions	Sep 26
Strategic Communications Stakeholder Engagement Government Relations		Strategic Communications Stakeholder Engagement Government Relations		Communication needs to be scoped by operational team and assigned	

At its meeting on 6 August 2026, the Strategy and Policy Committee unanimously endorsed establishing the Whanganui Housing Trust (a working name) as a separate process, ahead of decisions on potential funding options. Funding options will be considered through the 2027–2037 Long-Term Plan process.

The draft Trust Deed has been considered at Council workshops and was tabled as a draft for comment on 6 August and 8 September and it provides the basis for the trustee recruitment process (it is published online with the other recruitment information). It will be further refined through feedback from prospective trustees and stakeholders, with the intention of finalising it before December 2026.

At its meeting on 8 September, the Strategy and Policy Committee approved the establishment of a Trustee Recruitment Panel comprising independent member Susan Kosmala and Councillors Mike Hos, Glenda Brown and Kate Joblin. The reported timeline provided for recruitment to begin on 14 September, with Council scheduled to consider a shortlist of applicants on 27 October. These timeframes will not be met; however, recruitment is now expected to reach the shortlist stage by mid-November. To support this recruitment drive a comprehensive update on this work programme can now be found online here.

Trustee recruitment will be advertised from 22 October through a mix of local and specialist governance channels to reach both Whanganui-based applicants and people with strong connections to Whanganui who have the relevant mix of trustee, director, housing, property, finance, legal, governance and community experience. Advertising will include:

- The Whanganui Chronicle
- Council communications channels
- LinkedIn, including director and board member networks
- Business Whanganui website
- Community House channels
- Appoint Better Boards website, which is used for director and trustee recruitment in New Zealand, and
- Seek

The panel has approved the Board Role Description, which will be available to applicants through the recruitment process
Information relating to the draft Trust Deed and trustee positions will be available through the Housing webpage on the council website.

Funding Options
Background to the funding options
In 2022, Council commissioned the Turley Report to assess the condition of its older persons' housing portfolio. The report identified where existing housing could be improved through extensive remediation, where replacement was required, and where new homes could be built to make better use of existing land and create a community environment. This analysis provided Council with a clearer evidence base for subsequent decisions.

The next step was the 2024/25 business case (supported by KPMG), which set out the strategic, economic, commercial, financial and management cases for the housing programme.

In the business case, Council agreed to the following objectives for the current project:

- Growing the older persons' housing portfolio to maintain market share
- Facilitating growth in a wider range of tenancies and ownership models
- Maintaining appropriate affordability and social outcomes for existing and future housing occupants
- Retaining leadership of housing development and management locally
- Establishing the affordable housing service and portfolio to enable a stable, long-term financial footing.

Through this process, Council confirmed its intention to continue investigating the establishment of a standalone housing entity.

In 2025, the Halliwell report, prepared by independent building and quantity surveyors familiar with the portfolio's current condition, verified the minimum value of remediation required to maintain the housing stock to an acceptable standard, excluding Healthy Homes work.

The work described above provided Council with independently prepared evidence and options to inform decisions about the future of its housing activities, particularly the existing portfolio. At this stage, changes to central government policy settings materially affected the financial and commercial cases prepared in the business case.

Aeira has been engaged to update these cases, drawing on the independent evidence accumulated by Council. This work is underway within the funding options workstream.

Current work – updating the financial and commercial cases through Funding Options
Aeira has held workshops with Council on potential funding options for the Whanganui Housing Trust and is undertaking market sounding, as outlined in the programme, to test the assumptions underpinning the funding models. Participants include selected established community housing providers, funding providers and developers with interests in existing community housing complexes. Market sounding is not a procurement process and does not bind any party; procurement would occur after the Trust is established. Information shared through the process is protected by non-disclosure agreements.

This work is expected to be completed for Council's consideration from mid-November, when decisions will be made on which options to include in the 2027–2037 Long-Term Plan.

Operational reporting for the current portfolio remains the responsibility of Council officers and is managed as a separate workstream.

RECENT AND CURRENT ACTIVITY SUPPORTING THIS PROJECT

Public Engagement – Forming a Trust
Following Council's endorsement in August of the proposed trust model for the new housing entity, public engagement commenced at the Inform level through a digital campaign explaining the proposed trust structure. The engagement period ran from 31 August to 18 September. It generated two LGOIMA requests and feedback on Facebook and LinkedIn. All the LinkedIn comments were positive, while Facebook comments raised questions that will be addressed through pre-engagement for the Long-Term Plan and during the Long-Term Plan process. Since this engagement period we have substantially updated the content relating to this work on our website.

Building relationships and opportunities

Funding application – Community Foundation
Elected members were previously advised that the Whanganui Community Foundation had invited expressions of interest for its one-off $2 million Transformational Fund. The Housing Initiative project team submitted an expression of interest, supported by Councillors Kate Joblin and Glenda Brown in their roles as steering group members. The proposal drew on concept work funded through the $200,000 allocated in the 2025/26 Annual Plan to develop at least one project that could be transferred to the future Trust in a shovel-ready state. We expect to hear from the Foundation in November.

Government Relations
Letters outlining progress have been sent to Ministers Bishop and Potaka, and Members of Parliament Bates, McAnulty and Paul.

Councillor Kate Joblin and Project Lead, Rosemary Fletcher have met with local MP Carl Bates.
Communications with the Ministry of City, Environment, Regions and Transport (MCERT), formerly HUD, have resumed following the announcement of the first tranche of funding. Discussions are focused on future Flexible Fund opportunities. MCERT is preparing its investment plan for upcoming budgets, which will inform the priority given to Whanganui's housing needs and how future Flexible Fund funding will be allocated and accessed. Engagement will continue, with the project team being invited to provide relevant data and analysis of Whanganui's housing needs before the investment plan is finalised.

Community Conversations
Regular updates are provided to Safer Whanganui, the Housing Reference Group, the Positive Ageing Forum and Kotahitanga Alliance (Whanganui Kāhui). These forums enable the project to share progress, remain informed about housing needs and other local responses, and support the Trust to collaborate with local organisations rather than duplicate their work. Continued engagement will also reduce reliance on national data, which does not provide a complete picture of housing needs in the Whanganui area.
Engagement continues with Age Concern, which provides pastoral care to existing tenants and receives regular project updates.

Interested Parties
Engagement continues with local developers and development groups interested in partnering with the Trust, and with construction companies interested in delivering affordable housing in the region.

Two developers with property in Gonville have approached the project about potential partnerships with the Trust. A regional developer also proposed a large-scale development, but this opportunity is no longer available because the prospective property is now subject to a new lease assignment.

All local developers have been contacted about the project, with 15 registering interest to date. Updates will continue to be provided to all interested developers, with further discussions held where appropriate.

Te Ao Hou Marae-led housing development has expressed interest in becoming a potential partner of the Trust. First Rung continues to support the Trust and has expressed interest in collaborating on a larger development at Gilmour Street. Urban design discussions have begun.

The project continues to support the Abbeyfield Whanganui steering group as it establishes itself and prepares its strategic plan.

Community Housing Providers
The project has engaged directly with 14 community housing providers from Auckland to Queenstown and researched approximately 10 others through its workstreams. Providers have been overwhelmingly supportive and continue to share information that informs the project's assessment of options.

Potential Land for Development
Investigations continue into under utilised Council-owned land that could support future affordable housing development. This work includes assessing competing priorities for the land across Council. The project will consolidate the identified sites and prioritise their potential use.

Public Information
The full project timeline, with links to associated documents, is available on the updated Housing webpage on the Council website, titled Establishing a Housing Trust.

HIGH LEVEL STATUS VIEW

Housing Entity		Project Manager: Rosemary Fletcher
Traffic Lights	**Status**	**Comments**
Overall Health		The project is tracking well, with the main workstreams supporting decision-making largely complete.
Scope		On track
Budget		
Schedule		Trustee recruitment opened 22 Oct closes 13 Nov
Resources		
HS&W		
Project Risk		Key risk: the entity may be undercapitalised. Controls are in place.
Other Issues		Funding options being developed for the LTP process

PROJECT SPEND TO DATE

Resource	FY 25/26	FY 26/27 year to date
Project Management	79,750	37,061
Advisory/Remediation	66,150	-
Strategic Comms and Govt Relations	123,690	87,693
Funding Options/Financial Case	108,900	37,364
Legal	28,510	-
Total	**407,000**	**162,118**
Budget	*500,000*	*500,000*

Forecast work includes completing market sounding and financial modelling, finalising the Trust Deed, appointing trustees, establishing the Trust, developing the Relationship Agreement, and supporting trustees to prepare the delivery model, development planning and financial strategy. Indicative costs will be refined as this work progresses and reported through the relevant Council processes.

RISK

The main risk to the new entity's success lies in under capitalisation if the growth objectives are to be met. Controls are in place, and funding options are being developed through the 2027-2037 Long-Term Plan process.

NEXT STEPS

This following detail continues to be developed as each decision point is reached and direction set. At this stage the timing is still flexible, but the below shows indicative sequencing and timing.

When	What
Oct 2026	Market sounding to inform financial modelling assumptions
22 Oct 2026	Trustee recruitment commences

27 Oct 2026	Newsletter update to tenants advising them of the public conversations they may hear and clarifying the decision-making process.
29 Oct 2026	S&P Committee Project Update and Portfolio papers
2 Nov 2026	Pulse survey re current portfolio
10 Nov 2026	PX financial modelling – refined financial options informed by market sounding discussed for direction from council
13 Nov 2026	Trustee recruitment closes
26 Nov 2026	LTP options confirmed
27 Nov 2026	S&P committee confirm Trustee shortlist
Dec 2026	Trustees appointed and Trust established
Feb – Mar 2027	Trustees and council form Relationship Agreement
Mar – May 2027	Trustees engage with potential partners, prepare delivery model and undertake development planning and financial strategy.
Mar – Apr 2027	Council considers opportunities for underutilised land for housing development
May 2027	Trust has detailed financial model
Jun 2027	Relationship Agreement
Jul 2027	LTP outcome implemented

NEXT STEPS

October–November: Complete trustee recruitment to the shortlist stage for Council approval.
October–November: Complete market sounding.
November: Present updated funding options to Council for consideration through the Long-Term Plan process.

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