



Request for Expressions of Interest



Ownership/Management of Community Housing Supporting Information

Request for expression of interest released	Friday 10 June 2016
Questions deadline	Tuesday 12 July 2016
Registration deadline	12.00 pm Friday 15 July 2016
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Background

The Rangitikei District Council (the Council) currently owns 72 Community Housing units across the District. These are located in seven different complexes across the District. There are three complexes in Marton, two in Taihape, one in Bulls, and one in Ratana.

These units provide the communities with a low cost rental option for tenants with limited incomes. The target market for the units is the 55 year plus age bracket but if there are empty units all applications are considered. If tenants are under 65 years they pay a slightly higher market rental.

In the past the units have been in high demand; While demand has decreased in recent years there has been a recent spike of new tenancies.



There has been no regular scheduled refurbishment in the past, rather work has been done on the units as and when required.

Social Housing Review

In 2014 the Council decided to review the performance of its Community Housing stock. The feedback from prospective tenants has been that the units are too small (the bedrooms in particular) and that there is no secure/off street parking. The Council has looked at a number of models for ownership or management of the units but would like to explore all options before proceeding further.

Consultation Process to Date

In the Council's consultation document for the Long Term Plan Process "What's the Plan Rangitikei...?" the Council outlined two options. Option 1 was to invest \$100,000 in each of the next Financial Years (2015-2018) to support the upgrade of all housing units, as the best way of ensuring high rates of occupancy and the most realistic basis to explore alternative providers. Option 2 was to maintain the status quo which would result in lower levels of occupancy and lower rental income which would require a higher rates requirement. This would also be a less realistic basis to explore alternative providers.

Long Term Plan Process

The outcome of the Long Term Plan Process consultation was that the preferred option was Option 1, and the Council is now seeking expressions of interest for an alternative provision of ownership/management.

The Opportunity



The Council is seeking responses from Community Housing Providers interested in owning or managing the Community Housing portfolio. The portfolio consists of 72 units across seven complexes. The portfolio is in

mostly average/good condition. All of the complexes are close to local amenities.

What the Council Wants

Proposals are sought from Community Housing Providers that will manage the complexes in line with the Performance Standards and Guidelines used by the Community Housing Regulatory Authority.



What is important to the Council

The complexes currently provide affordable accommodation for older people. Preference will be given to proposals that include measures to protect the tenure of existing tenants and the use of the complexes for affordable housing for older people into the future. Organisations that can demonstrate local connections and the ability to provide housing support services will also be preferred. It is also important that the successful participant will be willing to continue to grow social housing in the Rangitikei District to meet market demand.





Portfolio Information

The CV of the Community Housing complexes

Property	Address	No of Units	Land value	Improvements
Wellington Road	393 Wellington Road, Marton	24	\$104,000.00	\$866,000.00
Cobber Kain	8 Cobber Kain Avenue, Marton	8	\$96,000.00	\$264,000.00
Russell Street	6 Russell Street, Marton	8	\$46,000.00	\$284,000.00
Cuba Street	8 Cuba Street, Marton	10	\$89,000.00	\$321,000.00
Ratana	1 Taihauauru Street, Ratana	4	\$14,000.00 (Note: this land value includes an area of land used for other facilities)	\$156,000.00 (Note: Includes the medical centre and fire station as well as the community housing units)
Hammond Street	20 Hammond Street, Bulls	6	\$54,000.00	\$231,000.00
Weka Street	12-16 Weka Street, Taihape	3	\$80,000.00	\$40,000.00
Matua Flats	30 Huia Street, Taihape	9	\$31,000.00	\$349,000.00
Totals		72	\$514,000.00	\$2,511,000.00

The above table shows the CV of the individual Community Housing complexes.

The total for all of Rangitikei District Council Community Housing would be:

Land value\$514,000.00

Improvements\$2,511,000.00

Total..... \$3,025,000.00



Amenity Summary

Wellington Road/Cobber Kain Avenue – Marton

The Wellington Road/Cobber Kain units were built in separate blocks over the period of around 10 to 15 years. The first lots of units (1-6) were built in the early/mid 1970s, then 7-10, 11-18, and 19-24. The newest addition was the Cobber Kain units (25-32) which were built in the late 1970s, which have a slight design difference making the bedrooms slightly larger. The units are set in quite large park-like grounds. They have board/plaster exteriors and tiled rooves.

Configuration	32 units within 5 separate blocks Mostly single bedroom units with a few double bedroom (the 8 Cobber Kain units)
Age	Early to late 1970s
External condition	Fair to good
Internal condition	Fair to good with some units requiring refurbishment

General comments:

- Some immediate renewal outlay as approximately six units need refurbishment before being in a rentable condition
- Has off-street parking for several cars
- Good access to local amenities
- In June 2015, four units (15-18) were affected by recent flooding and have been refurbished

Cuba Street, Marton

The Cuba Street units were built in the mid 1950s and were among the first in the country to be built. Initially there were 8 units built, with another 2 units added at the Willis Street end of the complex. They all have double-bedrooms and double wardrobes.

A fence was added at the Willis Street entrance for security reasons several years ago making quite a long walk for residents in the end units.

A couple of these units still have baths instead of showers. They have plaster exteriors and a tin roof.

Configuration	10 units – in three lots, 2 x 4 units, and 1 x 2 units
Age	Mid 1950s
External condition	Fair
Internal condition	Fair



General comments:

- These units had floor and ceiling insulation (with an underfloor vapour barrier) installed in 2014
- No off-street parking
- Steps at front and back doors could provide access issues for elderly/disabled tenants
- Communal storage shed for tenants
- No immediate outlay required

Russell Street, Marton

The Russell Street units are the most popular in Marton. There are 3 double-bedroom units along the street frontage and 5 single units along the side of the complex. All of the units face out onto a communal private lawn/garden area. The lawn/garden area is on a slope so is seldom used by the tenants. The units have a board exterior and tiled rooves.

Configuration	8 units – 1 x 3 units, and 1 x 5 units
Age	Mid 1980s
External condition	Good
Internal condition	Good

General comments:

- No off-street parking
- Close to amenities
- Private/quiet units
- Ceiling insulation was topped up in 2014
- No immediate outlay

Hammond Street, Bulls

The Hammond Street units are a very similar layout to the Wellington Road units. They were built in the mid 1970s. There are five single units and one double-bedroom unit at the end. The whole complex was re-roofed in 2014. They have a stucco/board exterior and tile roof.

Configuration	1 block of 6 units
Age	Mid 1970s
External condition	Good
Internal condition	Good

General comments:

- No off-street parking but tenants do park along the driveway that runs down the side of the flats
- Not as popular as they once were as there is other rental accommodation in Bulls, eg Air Force housing
- No immediate outlay required
- Unit 3 was badly damaged by a fire in 2013 and has been re-instated with double glazing, new cabinetry, insulation, and flooring

Taihauauru Street, Ratana

These flats enjoy a high occupancy/enquiry rate. There are 3 single and one double-bedroom units. Prospective tenants are approved by the Ratana Communal Board when there are vacancies. They have a brick exterior and tile roof. They have water tanks with a bore water backup.

Configuration	1 block of 4 units
Age	Late 1960s
External condition	Good
Internal condition	Fair/Good

General comments:

- No off-street parking
- All units have heat pumps supplied by the Ratana Communal Board
- No immediate outlay required

Weka Street, Taihape

These flats have a high tenancy rate. They have double bedrooms and separate yard spaces, and small storage sheds at the back. They have a weatherboard exterior and tin roof.

Configuration	One block of 3 units – separate front yards
Age	Mid 1960s
External condition	Fair
Internal condition	Fair

General comments:

- All 3 units had floor/ceiling insulation with an underfloor vapour barrier installed in 2014.
- No off-street parking

Matua Flats, Taihape

These units also enjoy a high occupancy rate. They all have double-bedrooms and double wardrobes. There are access issues for tenants/emergency services as they are set down from the road level and have narrow sloping paths. They have a board exterior and a flat tin roof.

Configuration	1 x 3 units, and 1 x 6 units
Age	Mid 1970s
External condition	Good/Fair
Internal condition	Good/Fair

General comments:

- No off-street parking and cars have to be parked on the road above the units
- No immediate outlay but some units could do with refurbishing
- Insulation installed in walls and ceiling at time of construction but unable to be topped up because of low/flat roof construction.

Summary of the complexes and condition factors

In 2014 all of our tenanted units were assessed for insulation requirements. All of the units that were occupied and able to have insulation upgraded were done at that time. A number of the units are on concrete pads and have pitched ceilings or flat roofs which make insulating more difficult.

Tenant profile

As at 10 June 2016 there were 59 of the 72 units tenanted.

There are seven empty units at the Wellington Road/Cobber Kain units, two in Hammond Street, Bulls, three in Cuba Street, Marton, and one in Huia Street, Taihape.

Some of these units have been empty for several months.

The rents are set at \$96.00 per week for tenants over 65 years, \$110.00 for tenants under 65 years and \$130.00 for couples. At present nearly 13% of our tenants are aged under 65 years.

