



## 14: Rental Housing

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# CONTENTS

14	Rental Housing .....	14-1
14.1	Service Description .....	14-1
14.1.1	Rationale for Council's Involvement .....	14-1
14.2	Strategic Direction .....	14-2
14.2.1	Council Strategic Direction on Social Housing .....	14-2
14.3	Levels of Service .....	14-4
14.3.1	Customers and Stakeholders .....	14-4
14.3.2	Contribution to Community Outcomes .....	14-4
14.3.3	Service Drivers .....	14-4
14.3.4	Customer Expectations .....	14-5
14.3.5	Present and Future Levels of Service and Performance .....	14-6
14.3.6	Asset Performance .....	14-8
14.3.7	Changes in Levels of Service .....	14-9
14.4	Growth and Demand .....	14-10
14.4.1	Demand Influences and Impacts .....	14-10
14.4.2	Asset Capacity .....	14-12
14.4.3	Demand Management .....	14-12
14.4.4	Meeting Demand through Asset Growth .....	14-13
14.5	Managing Assets .....	14-14
14.5.1	Management Strategy .....	14-14
14.5.2	Asset Description .....	14-14
14.5.3	Asset Condition .....	14-16
14.5.4	Asset Reliability .....	14-16
14.5.5	Operations and Maintenance .....	14-16
14.5.6	Asset Renewal .....	14-19
14.5.7	New Asset Requirements .....	14-20
14.5.8	Disposal Plan .....	14-20
14.5.9	Sustainable Management .....	14-21
14.5.10	Risk Management .....	14-21
14.6	Financial Programmes .....	14-23
14.6.1	Historical Financial Performance .....	14-23
14.6.2	Operations and Capital .....	14-23
14.6.3	Funding .....	14-24
Annex 14A	.....	14-26
Annex 14B	.....	14-28

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## 14 Rental Housing

### 14.1 Service Description

Selwyn District Council owns and manages a small number of rental houses in various parts of the district including a small Elderly Persons Housing (EPH) facility in Darfield. This service encompasses the planning, management, landlord responsibilities and maintenance of the rental housing portfolio. In total there are 13 rental houses and 3 EPH on the schedule. The farm houses at Te Pirita and Creyke Road and property at Anzac Drive are managed under the Property and Buildings activity.

Houses Included in Farm Lease	Houses on 2020/21 disposal list	Houses for disposal or alternative use over the next 5 years	Houses retained in the Medium Term (10 years+)
<ul style="list-style-type: none"><li>• Te Pirita House</li></ul>	<ul style="list-style-type: none"><li>• 80 Moffat Street</li><li>• 3 Anzac Lane</li></ul>	<ul style="list-style-type: none"><li>• 238 Bethels Road</li><li>• 11 and 11A West Belt</li><li>• 11A Gerald St</li><li>• 354 Creyke Road (Raeburn Farm)</li><li>• 57,59,61 North Terrace (EPH)</li><li>• 9 Markham Way</li><li>• 743 Shands Road</li><li>• 5 and 7 Leeston Lake Road</li><li>• 1092 Goulds Road</li><li>• 15 and 15A Lyttleton Street</li></ul>	<ul style="list-style-type: none"><li>• 2538 Bealey Rd</li><li>• 668 Springs Rd</li><li>• 94 North Terrace</li><li>• 697 Weedons Rd</li></ul>

#### 14.1.1 Rationale for Council's Involvement

The ownership and management of SDC's rental housing portfolio was historically founded on the inheritance of a number of dwellings provided for previous Council activities where services were undertaken on an "in house basis" and these are typically located adjacent to or on former Council depot sites. Over time, with changes in management and service delivery approaches, the houses are no longer required for their intended purpose. Where these cannot be readily sold (located on reserves) the Council has decided to obtain a financial return by offering them for rent.

The majority of properties that now comprise the Council's small rental housing portfolio are dwellings that were acquired when land has been purchased strategically to enable other Council activities to be developed or expanded. It is likely that over the 10 year planning period additional houses will be acquired for strategic purposes. In this instance the Council may rent the properties to obtain a financial return until the development work occurs, at which time they are either removed or on-sold.

The three pensioner houses in Darfield, were an initiative of the former Malvern County Council and came under the ownership of Selwyn District Council as part of the 1989 local body amalgamation process.

Rental Housing is not viewed as a core service but where some housing has been retained it provides the following benefits:

- Provides an economic benefit by obtaining a return on the investment in properties
- Enables a financial return on properties that have restrictions on sale (located on reserves)
- Enables a financial return on houses acquired for an alternative strategic use until the land is developed for the intended purpose



## 14.2 Strategic Direction

The Council has a portfolio of rental houses that is mix of the legacy of previous Council operational approaches and strategic purchases to allow Council to carry out other projects in the future. The remaining rental housing stock is, in most cases, located on reserve land and cannot be readily sold. However, there is potential to initiate reserve exchanges or revocation to achieve the freehold status for the land where this is viable. In general, the present management strategy is to rent these properties on the open market. For those houses located on strategic land that is leased for farming, the house is incorporated into the farm lease and is maintained by the tenant.

Service delivery of the bulk of this activity is currently via a property management company. The cost is reflected in a slightly reduced rental (the management fee is 6.5% of the rent) but is offset by lower costs associated with reduced asset maintenance and repairs and less risk of poor tenancies. The remainder of the houses are managed internally through the Property, Acquisitions, Leasing and Disposals team.

The plan does not consider involvement in rental housing as a core service and indicates a continuation of work on proposals to divest ownership of remaining houses where these are not required and where this can be successfully achieved. Since the 2018-2028 LTP, 6 houses have been sold and 2 demolished for strategic purposes. The viability of this service reduces overtime as a result of the portfolio decrease (reduced rental) compared with operations, legislative and maintenance requirements. This situation may accelerate decisions and implementation of retention or disposal options.

Houses purchased for strategic reasons can be used as short term rentals for staff or other tenants until such time as the property is required for its intended purpose.

The small portfolio of Elderly Persons Housing Units in Darfield is a legacy of former policy and, more recently, it has generally been Council's policy to promote this type of housing through other agencies rather than act as the direct provider. Council has agreed if the opportunity arises these units may be sold to a community housing provider. It is known that at least one local group in the Malvern area has expressed an interest in acquiring these units.

### 14.2.1 Council Strategic Direction on Social Housing

There are various definitions of 'social housing' but the common view is that it is: "housing that is let at low rents on a secure basis to those who are most in need or struggling with their housing costs and is:

- affordable
- allocated on the basis of need
- owned and managed by central or local government or registered providers
- regulated"

During the 2018-28 Long Term Plan process a number of submissions were received requesting that Council considered investing in or providing social housing in the District. In response to those submissions Council agreed to have a report prepared on social housing that would guide future involvement in that activity.

In November 2018 Council adopted a 10 point policy statement confirming Council's position on social housing. In summary Council's position on Social Housing is:

- Council believes primary responsibility for direct delivery of social housing lies with central government, community housing providers or the private sector where these agencies are equipped to provide a full social housing service. At the same time Council will remain flexible in its ability to respond to central government initiatives on social housing that could have a positive impact for the district.
- Council will take an advocacy/enabler role and work with community housing providers, government agencies and the private sector to support social housing needs in the district.
- Council may consider contributing to social housing provision through land leases and/or swaps and/or release of land where is its economically sound to do so.

Since the November 2018 report the following initiatives have commenced:

- Selwyn Social Housing Forum has been established and comprised of representatives of organisations with an interest in the provision of social housing in Selwyn. The forum provides the opportunity to share information and provides the ability to understand the social housing needs and issues across Selwyn. This is facilitated via the Council Community Service Team.
- Council's Our Space 2018-2048 plan that complements the Greater Christchurch Urban Development Strategy (UDS) has been adopted and includes an action plan to establish partnerships to enable social and affordable housing provision across Greater Christchurch.
- The proposed Selwyn District plan has allowed for the provision of a wider range of housing typologies and forms to reflect the needs of communities, changing demographics and social structure, including smaller housing units. The consultation process is ongoing the plan should become operative (have effect) in late 2022.
- The investigation into the divestment of the 3 EPH units at Darfield is ongoing.

## 14.3 Levels of Service

This section defines the levels of service (LOS) for Rental Housing and sets out the performance targets identified for each LOS to enable achievement to be measured.

### 14.3.1 Customers and Stakeholders

Customers and stakeholders with an interest in rental housing include the following:

- Selwyn District residents
- Tenants of Council properties
- Neighbours of Council rental properties
- Tenancy Services NZ
- Property Management Provider
- Tenants Protection Association
- Kāinga Ora – Homes and Communities
- Community and social agencies
- Council staff
- Department of Conservation
- Local building maintenance contractors

### 14.3.2 Contribution to Community Outcomes

The following table sets out the community outcomes that are relevant to rental housing and describes how the service contributes to outcomes.

Community Outcome	How Rental Housing Contributes
<b>A Healthy Community</b> <i>Selwyn people have access to appropriate health, social and community services</i>	<ul style="list-style-type: none"><li>• Council properties offered for rent provide a level of affordable housing opportunities for people to reside in rural communities and townships</li></ul>

Table 14-1: Rental Housing Contribution to Community Outcomes

### 14.3.3 Service Drivers

The key service drivers specific to rental housing include the following:

- Manage the rental housing portfolio to achieve the best possible return
- Act as a good landlord in dealing with tenants and resolving issues
- Provide a comfortable, hygienic and habitable living environment for tenants
- Respond to maintenance and repairs in an efficient and timely manner
- Maintain houses to a condition that protects the community's investment
- Ensure the health and safety of tenants and contractors
- Ensure the management of rental properties complies with all legal requirements, New Zealand Standards, central government, and SDC policies and bylaws.

## Legislation, Standards and Policies

Specific legislation, standards and planning documents that apply to rental housing are described in the tables below. This also explains the implications for levels of service.



Legislation/Standard	LOS Implications
Building Act 2004	Building standards and requirements to obtain consents for specific works
Building Regulations	Requires a building to achieve the performance criteria set out in the New Zealand Building Code (NZBC)
NZ Building Code 1992	Sets out the building performance standards required to be achieved
Property Law Act 2007	Covers matters related to property including transfer, ownership, conveyance, leasing and tenancies, covenants, easements
The Residential Tenancies Act 1986 and The Residential Tenancies Amendment Act 2020	Covers legal requirements relating to residential tenancies, and defines the rights and obligations of landlords and tenants of residential properties and the means for settling disputes
Residential Tenancies (Smoke Alarms and Insulation) Regulations 2016	Covers legal requirements for Landlords' responsibilities for provision of smoke alarms and insulation in buildings
Healthy Homes Standards	Covers the specific and minimum standards for heating, insulation, ventilation, moisture ingress and drainage, and draught stopping in rental properties.
Health and Safety at Work (Asbestos) Regulations 2016	Covers the duty required to create an asbestos management plan to manage asbestos and ACM on Council property.
New Zealand Standard NZS 4246:2016 Energy efficiency – Installing bulk thermal insulation in residential buildings	Covers legal requirements relating to Landlords abilities to retrofit insulation into existing rental residential housing.
New Zealand Standard NZS 1547:2012: 'On-site Domestic Wastewater Management'	Compliance requirements when not serviced by a reticulated sewerage scheme

Table 14-2: Rental Housing Legislation & Standards

Plan/Policies	LOS Implications
Selwyn District Council District Plan (RMA)	Zone rules related to buildings
Land and Water Regional Plan (RMA)	Rules on protecting ground and surface water from contamination Requirements to obtain discharge permits for septic tanks
Selwyn District Council Policy Manual	Housing Policy (H101) <ul style="list-style-type: none"> <li>Allocation of rental housing with property offered to staff in the first instance</li> <li>Council to seek market rent from all properties, including when rented to Council staff</li> <li>Staff payments for rental to be by way of automatic deduction from pay</li> <li>The Council shall seek the maximum bond permissible with discretion for pensioner tenants</li> </ul>

Table 14-3: Rental Housing Plans & Policies

#### 14.3.4 Customer Expectations

Council's knowledge of customer expectations for rental housing is based on:

- Information, complaints and feedback from tenants of Council rental houses provided on an informal basis or as part of quarterly property inspections
- Enquiries and complaints received via Service Request System
- Feedback from elected members, general public, community boards and township committees
- Consultation via the LTP/Annual Plan process
- Feedback from maintenance contractors

The level of involvement in this activity by Council means that it does not have significant impacts on the wider district community. There has been no indication from customers that Council should be more actively involved in the direct provision of rental housing for community or social purposes, although as property market values increase, and rental supply is reduced and/or rental costs outstrip wages/salaries there may be increased requests for assistance with housing supply.

#### **14.3.5 Present and Future Levels of Service and Performance**

The levels of service for this activity are primarily focused on achieving a suitable financial return, acting as a good landlord, meeting statutory/regulatory requirements, managing the limited housing stock until it can be divested and managing the assets to the benefit of the community.

The small portfolio of Elderly Persons Housing Units in Darfield contributes, in a minor way, to the social wellbeing of the district.

#### **Timeframe for Provision of Rental Housing**

The plan does not consider involvement in rental housing as a core service and indicates a continuation of work on proposals to divest ownership of remaining houses where these are not required and where this can be successfully achieved. The viability of this service reduces overtime as a result of the portfolio decrease (reduced rental) compared with operations, legislative (Healthy Homes Standards) and maintenance requirements. This situation may accelerate decisions and implementation of retention or disposal options.

It is likely that Council will continue to acquire housing stock as part of strategic land purchases and may make these available for rental until such time as they are required for the strategic purpose. The overall reduction in investment in rental housing is reflected in the absence of growth or level of service projects (except for legislative compliance) within the financials for this activity.

There may be central government initiatives on social housing released over the next 10 years of the plan and Council will take into consideration financial benefit and positive impact for the district when deciding to participate if direct ownership is required.

Objective	Planned LOS	Performance Measure	Core Value						Current Performance	Target Performance			Indicative Performance Yrs 4-10
			Quality	Customer Satisfaction	Availability	Quantity	Compliance	Affordability		Yr 1	Yr 2	Yr 3	

#### Rental Housing

<p>The Council has a limited role facilitating access to community health services such as social housing.</p> <p>Rental housing provides a financial return on assets</p>	Rental housing is maintained to a standard that meets the expectations of tenants	Number of complaints from tenants regarding the condition of housing	X						Not measured	≤ 3	≤ 3	≤ 3	≤ 3
	A satisfactory return on investment is achieved through rental revenue	% return on investment						X	4.8%	≥ 4.5%	≥ 4.5%	≥ 4.5%	≥ 4.5%
	The houses are occupied to a level that sustains positive rental returns	Overall occupancy rate per annum			X				89%	≥90%	≥90%	≥90%	≥90%
	Council acts as a responsible landlord and meets statutory obligations	Number of legal proceeding taken against Council					X		Nil	Nil	Nil	Nil	Nil

Table 14-4: Rental Housing Present & Future LOS

### 14.3.6 Asset Performance

The service standard provided to users is determined, to a significant extent, by the quality and location of the assets employed. This section explains these aspects of asset performance. Reliability (frequency of faults) is also a performance factor, but since it is determined by the maintenance and renewal plans, reliability is covered in the lifecycle management section 14.5.5.

#### Historical Level of Service Performance

Specific performance related to level of service targets is disclosed in the following table.

Target LOS	Performance Measures	Target 2017/18	Actual 2017/18	Target 2018/19	Actual 2018/19	Target 2019/20	Actual 2019/20
The Council provides access to a moderate number of permanent rental housing opportunities	Number of properties available for rent	14	19	11	14	9	16
Rental housing is maintained to a standard that meets the expectations of tenants	% of tenants satisfied with the standard of house & service as measured by annual survey	80%	Not measured	80%	Not measured	>80%	Not measured
A satisfactory return on investment is achieved through rental revenue	% return on investment	≥4.5%	3.7%	≥4.5%	Not measured	≥4.5%	4.57%
The houses are occupied to a level that sustains positive rental returns	Overall occupancy rate per annum	>90%	90%	>90%	93%	>90%	86%
Council acts as a responsible landlord and meets statutory obligations	Number of legal proceedings taken against Council.	Nil	Nil	Nil	Nil	Nil	Nil

Table 14-5: Rental Housing LOS Historical Performance

In the past three years Council has divested a number of rental properties, particularly the 5 properties and section of land on Ritso Street, Darfield for private sale, the two properties in Rolleston purchased for the town centre carpark and a property in Southbridge that was strategically purchased to facilitate the Domain extension.

The Council has acquired an additional number of houses for various strategic purposes, and in conjunction with a smaller number of rental houses not being disposed within anticipated timeframes, Council has a higher number of rental houses than initially anticipated and did not meet the number of properties available target (which was planned to reduce in accordance with Council's divestment strategy).

Overall where there are houses available for rental, they are occupied, however in 2019/20 a number were untenanted as they were programmed for sale, but this has not occurred resulting in a lower occupancy for than the performance target.

**Customer complaints XXX awaiting response.** All other performance targets were met.

## Level of Service Issues

A number of level of service issues are evident with rental housing. These are set out in the following Table 14-6:

LOS Issues/Gaps	SDC Response	Timing
The return on investment is relatively low	<ul style="list-style-type: none"> <li>• Overtime the Council will divest itself of properties no longer required</li> <li>• Ensure market rents are applied and updated on a regular basis. The Residential Tenancy Act 2020 only allows for rent reviews annually.</li> </ul>	<ul style="list-style-type: none"> <li>• 4 houses planned for disposal in 2021-2023</li> <li>• 1 house potentially to demolish</li> <li>• Rents reviewed on annual basis</li> </ul>
The financial return on the EPH units does not cover expenses	<ul style="list-style-type: none"> <li>• Review rentals in consideration of ability to pay and social impact</li> <li>• Investigate potential to dispose of properties to occupiers or when vacated</li> </ul>	<ul style="list-style-type: none"> <li>• Rents have been adjusted to market rates as properties have changes tenants</li> <li>• Council to look for opportunity to divest these units to a social housing provider.</li> </ul>
Some of the houses are in deteriorating condition and require internal and external upgrading	<ul style="list-style-type: none"> <li>• Implement redecoration and planned maintenance and renewals programmes for houses that will be retained</li> <li>• Consider demolition of houses that are uneconomic to repair</li> </ul>	<ul style="list-style-type: none"> <li>• Continue planned maintenance &amp; renewal programmes from 2021</li> <li>• Undertake economic review of housing stock remaining that cannot be readily sold (on reserve land) in 2021/22</li> </ul>
The level of comfort in some houses is low particularly in relation to heating	<ul style="list-style-type: none"> <li>• Initial insulation programme implemented via Central Government's "Warm Up NZ Heat Smart Programme". Further insulation inspections and potential upgrades currently being assessed.</li> <li>• Installation of improved heating appliances (generally heat pumps) has been carried out including the EPH units</li> <li>• Compliance with the Residential Tenancies Act 2016 in respect to insulation and smoke alarms was completed in July 2019.</li> <li>• Audits being completed for compliance with Healthy Home Standards including insulation, heating, ventilation, draught stopping and moisture ingress. Some refurbishment works have started.</li> </ul>	<ul style="list-style-type: none"> <li>• Heating upgrades as part of renewals 2021-31</li> <li>• Compliance with the Healthy Homes standard by 1<sup>st</sup> July 2021 within 90 days where a new tenancy or altered tenancy occurs. This will apply to any new houses purchased that we intend to rent out.</li> </ul>

Table 14-6: Rental Housing LOS Issues & Gaps

### 14.3.7 Changes in Levels of Service

The main change in levels of service for rental housing relates to the reduction in availability of permanent rental housing stock overtime as Council disposes of assets no longer required.

The Council does not consider that it has a role as a significant provider of rental housing for the community and is only involved in this activity as a result of earlier management approaches. The rental housing available to the wider community is only as a result of being surplus to Council needs and sale, in some cases, is restricted by the underlying land status.

## 14.4 Growth and Demand

This section covers the growth and demand implications for Council provision of rental housing. This includes an assessment of the demand influences and how these will impact on the future provision of rental housing bearing in mind that this is an activity that Council considers to be discretionary rather than a core service.

### 14.4.1 Demand Influences and Impacts

The key factors influencing demand for provision of rental housing are:

- On-going population growth in the district
- Changes in demographics particularly with the projected ageing population
- Property market and supply of rental housing
- Economic factors including the general state of the economy and fluctuating fuel prices
- Internal demand
- Increasing social needs in the district
- Customer expectations for accommodation standards
- Legislative changes

### Population Growth

Selwyn District's population is predicted to continually increase over the planning period, similar to that experienced over the past ten years, with concentration in growth occurring in the areas allocated growth through the Land Use Recovery Plan (LURP) and identified in the Selwyn Growth Model. Growth will be focused in Rolleston and the Eastern Selwyn area, with moderate rates elsewhere. Some more remote communities will only experience limited growth. The influencing factors of population growth are described fully in Chapter 4, Managing Growth.

### Changes in Demographics

Changes in the age structure of the population are occurring, with the most important trend being the general ageing of the population, represented by an increasing number and share in the older age groups. The population aged 65 years and over is likely to grow fastest in the future. Similarly the population in the older working ages (40–64 years) is also likely to increase in the short-term. Conversely, the number of children (0–14 years) and the younger working age population (15–39 years) are expected to remain stable or decline. It is, however, likely that the populations in the higher growth areas such as Rolleston will continue to have a generally younger population than the remainder of the district.

This scenario may provide increasing demand in the district for housing options suitable for the older age groups, particularly if there is a desire for people to remain within the district. It is expected this demand will be met through the private sector and social housing providers.

### Property Market and Rental House Supply

The post-quake rebuild and strong greenfield development in Selwyn and Waimakariri Districts has resulted in a strong supply of houses, which in turn has softened house prices across Greater Christchurch. An increased supply of housing and relatively steady demand has also led to easing rents across Greater Christchurch. It is unclear yet what the impact of the COVID-19 response and potential economic recession will be on house sales and rental prices.

Infometrics data indicates that Selwyn District has the most expensive housing prices in Canterbury which may impact on the rental housing market in terms of renting being a more affordable option although this may be offset by higher rents. In the year to June 2020 Selwyn district had a median house sale price of \$575,000 compared to the Greater Christchurch urban area median of \$485,000. In the same period Selwyn District had the highest mean weekly rental of \$421 per week compared to the Greater Christchurch mean of \$367. The higher prices tend to be in the wards of Selwyn Central (Rolleston, West Melton) and Springs (Prebbleton, Lincoln, Tai Tapu).

Overall housing affordability has seen an increase in the number of people renting compared with home ownership, and the Bi-Annual Core Logic's New Zealand Housing Affordability Report has indicated that provincial towns have been hardest hit by unaffordability. This trend is likely to continue into the future and



will affect demand for rental housing stock. There is generally a higher level of home ownership in Selwyn District (78.5%) compared with the rest of New Zealand.

The level of demand for social housing provision in the district is difficult to quantify but it is evident and growing. The current and projected demand is mainly for smaller size housing units (one to two bedrooms) and there is generally a gap in provision for this type of accommodation, which may be addressed in the proposed District Plan changes. There is currently a limited number of options available in the district for those needing social housing and some are seeking alternatives outside of the district (but don't want to leave their communities).

### **Economic Factors**

Factors such as the general state of the economy, the level of business activity and fuel prices can influence demand for rental properties in the district. Business activities such as the increase in dairying that has occurred in the district generate demand for worker accommodation. Two Council rental houses are included in the farm lease.

If fuel prices rise this may affect demand for housing in townships that are a significant travelling distance from main centres. Although rents may be less expensive than the city the cost of travel to work from outlying townships may not be economically viable for some people.

### **Internal Demand**

There are currently no houses that are provided for Council staff as an employment requirement. Demand for rental housing from Council staff has been intermittent and has generally been provided to meet a short term need when new staff have moved to the district. This situation is unlikely to change in the foreseeable future and is not viewed as a key driver for this activity.

### **Increasing Social Needs**

The New Zealand Deprivation Index does not indicate significant social issues within the district (Areas are shown from 1 to 4 in the NZ Dep 2018 Index of Deprivation Report prepared by the Department of Public Health). However the ageing population and other factors may lead to increased demand for social support.

Council has resolved to divest the three elderly person houses at Darfield to a suitable social housing supplier.

### **Accommodation Standards**

Customer expectations are that accommodation is warm, comfortable and healthy to live in. The property management company states that Council rental houses are in a suitable condition for rental. However the last condition assessment shows that some are very dated and, in terms of attractiveness for rent and Council being a responsible landlord they may require costly refurbishment such as bathrooms and kitchens, over the next 10 year period. In order to present the houses in a condition that will ensure continued occupancy some improvement works are required. There are a few houses that are aged and in poor condition that may not be economic to upgrade.

### **Legislative Changes**

There have been no specific announcements from the current Government on housing provision that will directly affect the Council's involvement. It is likely this government will have a greater emphasis in solving housing issues and may invest or direct funds towards social housing initiatives. This plan assumes there will be no change to the current legislative requirements in terms of local government involvement in social housing.

#### 14.4.2 Asset Capacity

##### Rental Houses Utilisation

Utilisation of rental housing assets is normally expressed in terms of occupancy rates. This provides an indication of occupancy levels and is directly linked to the return on investment. Council rental properties tend to have long term tenants and a steady occupancy.

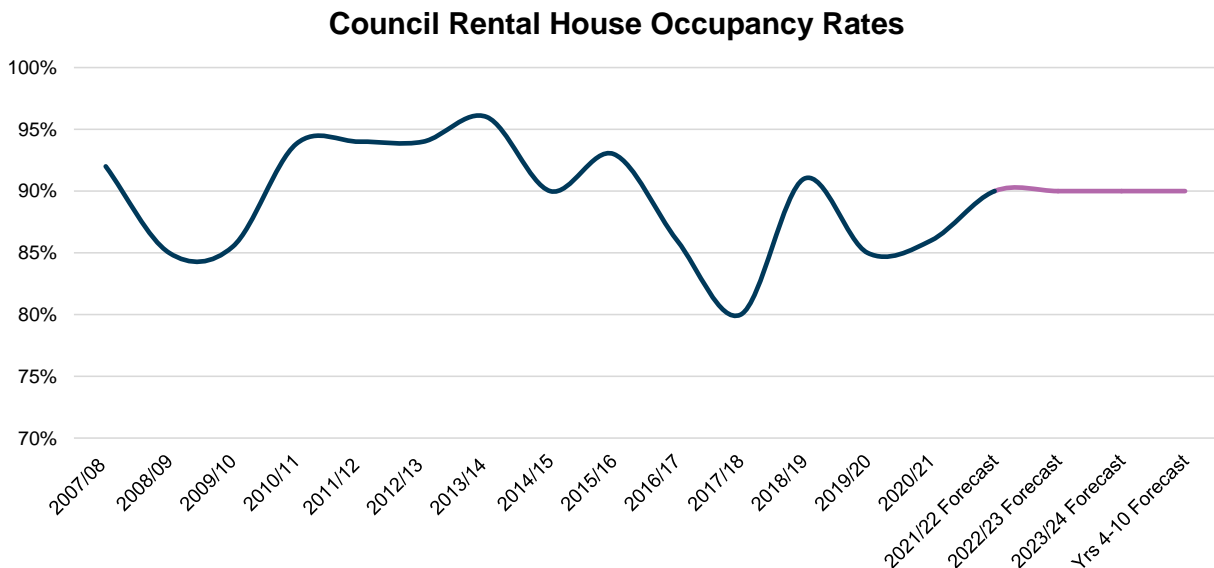


Figure 14-1: Rental Houses Occupancy Rate

Occupancy is predicted to remain at a similar level, as the rental housing disposal process progresses. Dips in occupancy levels may reflect the periods between notice of intent of disposal to tenants, and their subsequent vacating of properties and the actual disposal dates.

#### 14.4.3 Demand Management

##### Social/EPH Housing

Historically Council's approach has been to desist from direct involvement in the provision of rental housing for social or elderly persons' accommodation. Over the last 20 years Council has not made any capital investment in infrastructure to meet this demand. As the District's changing age distribution and the expected consequential increased demand for senior citizens' housing Council has will continue in a role of advocate or facilitator for other agencies to provide this service to meet district needs.

A grant (\$1.1 million) from the Canterbury Community Trust received by Council for use in Selwyn District to develop social/community housing was directed towards an Abbeyfields communal housing development in Leeston. This tends to confirm Council's role as a facilitator rather than a direct provider.

##### Other Rental Housing

Demand for this service is generally met from the private sector and Council is only involved due to the ownership of houses that were previously used for staff accommodation, acquired with strategic land purchase or cannot be easily sold.

In order to ensure that demand for rental housing is managed to optimise sustainability and Council's capital investment the following practice is generally followed:

- Market rentals are applied
- The approach to advertising rental accommodation is dictated by the current market
- Former Council houses are sold where there is no longer a reason to retain them and where it can practically be achieved

- Temporary accommodation needs for staff may be met through the houses purchased for strategic purposes if available

#### 14.4.4 *Meeting Demand through Asset Growth*

The projected increase in proportion of older people in the district signals the likelihood of increased pressure on accommodation suitable for senior citizens. This does not mean that Council will be the provider of additional accommodation needs.

It is not envisaged that Council will be directly providing any additional assets to meet future demand.

## 14.5 Managing Assets

This section explains how rental housing assets are managed and operational service delivered. It also covers the strategies employed for managing the assets and identifies maintenance, renewal, new asset and disposal programmes.

### 14.5.1 Management Strategy







The rental housing portfolio is managed by the Council's Property Group with the tenant management carried out by a property management company. Strategic planning is the responsibility of the Asset Manager Open Space and Property. Service delivery functions such as arranging maintenance and dealing with tenancy matters are undertaken by Facilities Officers in the Property Group.

Work programmes on rental houses are carried out by contractors on an as required basis. In some cases planned maintenance work such as painting is bundled together into a single contract for efficiency.

The Asset Management System (AMS) has a Lease Management module which allows all rental housing tenancies to be recorded, including information on rental durations, bonds and programming of inspections. Residential rental house tenancies account for only 4% of Council's total lease types. This has been in operational use since 2015/16 and allows for the improved management of these tenancies.

### 14.5.2 Asset Description

This section provides detailed descriptions and information of the buildings comprising the Council's Rental Housing portfolio. Note that this only includes the houses that are currently held as permanent properties and not those acquired for other strategic purposes. A physical description of each of the houses is set out in the following table.

Location	Land Description	Building Description	ODRC Value	Year Built	Condition Grade	Strategic Issues	Photo
Numbers 57,59 & 61 North Terrace, Darfield	All on single title Lt 3 DP 357543 944m <sup>2</sup>	3 purpose built units for EPH; brick clad, colour steel roof, aluminium framed windows, each unit floor area = 56m <sup>2</sup>	\$491k	1980	Good	Council may divest its interest in EPH housing	
354 Creyke Rd, Darfield	Part of Raeburn Farm Pt Lt 1 DP 6651, House on 3,000m <sup>2</sup>	Older 4 bedroom house with some modifications, timber clad, iron roof, timber joinery Floor area = 189m <sup>2</sup>	\$396k	1910	Average	Currently untenanted and separated to farm lease.	
Bealey Rd, Hororata	On part of ex Hororata Depot land (Reserve) Pt Lt 1 DP 48069	Older style 4 bedroom house, timber clad, iron roof, timber joinery Floor area = 184m <sup>2</sup>	\$300K	1910	Poor	Age and condition, on crown reserve. Heritage listing of house and surrounds	
Sharlands Rd, Te Pirita	On Pt Reserve 2289	3 bedroom house, Hardiplank clad, colour steel roof, aluminium joinery, Floor area = 92m <sup>2</sup>	\$356k	1970	-	On reserve and incorporated into farm lease	
Bethels Rd, Hororata	On Pt Reserve 2653, House on 2,023m <sup>2</sup>	3 bedroom house, summerhill stone clad, iron roof, timber joinery, Floor area = 103m <sup>2</sup>	\$355k	1965	Average	Plan to revoke reserve status & sell	
668 Springs Rd, Prebbleton	On part of ex gravel reserve 202, House on 1,545m <sup>2</sup>	3 bedroom house, roughcast clad, iron roof, timber joinery, Floor area = 101m <sup>2</sup>	\$323.5k	1925	Good	On reserve	




Location	Land Description	Building Description	ODRC Value	Year Built	Condition Grade	Strategic Issues	Photo
1092 Goulds Road, Rolleston	Section 1 S.O. 433412	4 bedroom house plus sleep out, brick cladding, iron roof, aluminium joinery Floor area = 250m <sup>2</sup>	\$309.5k	1981	-	On Foster Recreation Park – alternative use / disposal to be considered after Indoor Courts Construction	
94 North Tce, Darfield	Lt. 5 DP 4637	3 bedroom house, summerhill stone clad, iron roof, timber joinery, Floor area = 127m <sup>2</sup>	Not valued	1960s	Average	Caretakers house for Darfield Domain	
697 Weedons Rd	PT LOT 1 DP 75990	4 bedroom house, weatherboard, steel roof, timber joinery. Plus garage, out building, swimming pool. Large grounds and gardens Floor area = 180m <sup>2</sup>	Not valued	Pre 1935	Good	On Large Scale Park land – alternative use in future	

Table 14-7: Rental Housing Asset Description

In addition to the houses described in Table 14-7 above there are a number of other properties that have been acquired for various strategic purposes and, in most cases, these will be sold or redeveloped within the next 10 years. These properties are shown in the table below.

House Location	Purpose/Future Action
11 West Belt, Lincoln	Not required – to be sold
11A West Belt, Lincoln	Not required – to be sold
3 Anzac Lane, Rolleston and associated subdivision	Road Extension complete – to be sold
27 Hamptons Road, Lincoln	Strategic land purchase – building to be demolished
5 Leeston Lake Road, Leeston	Strategic land purchase – Leeston Library/Medical Centre
7 Leeston Lake Road, Leeston	Strategic land purchase – Leeston Library/Medical Centre
11A Gerald Street, Lincoln	Strategic land purchase – Lincoln Town Centre
9 Markham Way, Rolleston	Strategic land purchase – Town Centre Development
743 Shands Road, Prebbleton	Strategic land purchase for roundabout – to be sold

Table 14-8: Short Term Rental Houses

### Asset Valuation

A valuation conforming to IAS16 has been carried out for rental houses and EPH units held at the time of valuation. The table below sets out a summary of the asset valuation as at 30 June 2021 which is based on the valuation at June 2019 plus adjustments for 2019/20, 2020/21

Asset Area	Asset Depreciated Replacement Value (\$)
Rental Houses and EPH Units	890,098

Table 14-9: Rental Housing Asset Valuation

### 14.5.3 Asset Condition

A detailed condition assessment of rental houses was carried out in 2020 by Council Facilities Officers. Asset condition is an assessment of the physical condition of the various components that comprise these buildings. A standard set of industry defined criteria are used to grade the condition.

This information provides an indicator of each asset's position within its lifecycle. When combined with other factors such as risk and economics, it provides the necessary information to produce a renewal and improvement programme at component level.

Summary condition information for rental housing is presented in the graph below.

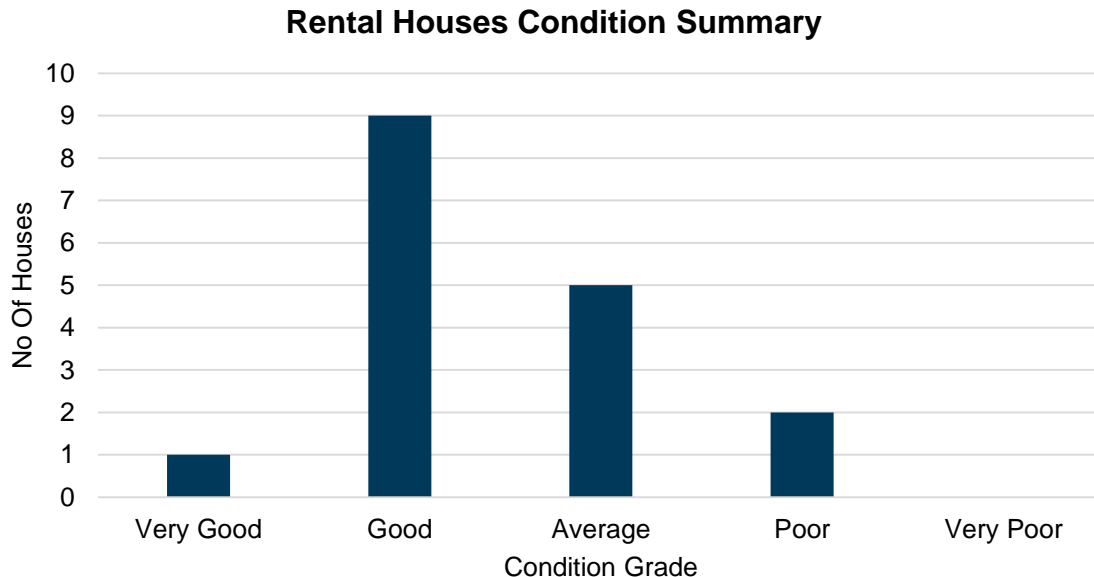


Figure 14-2: Rental Houses Condition Summary

This indicates that a number of houses are in average to poor condition. This generally relates to interior decoration and exterior surfaces with no significant structural issues identified. Council will be addressing condition via maintenance and renewal programmes but may consider deferring work where houses are to be sold or where it is not economic to undertake the required work.

### 14.5.4 Asset Reliability

No formal performance reporting or assessment has been undertaken for rental housing assets. However analysis of historical maintenance records provides a mechanism for identifying recurring performance issues (if any). The maintenance history for both rental houses and EPH units has been examined to determine asset performance for this activity. Apart from general reactive maintenance repairs no specific performance issues have been identified except for the following:

- In 2018 \$17K of unplanned maintenance costs and services repairs at Bethels road
- To comply with the Residential Tenancies (Smoke Alarms and Insulation) Regulations 2016 in terms of insulation and smoke alarms \$14K of upgrades were carried out.
- A new roof was installed at 80 Moffat Drive (\$12K) and the Blackberry Patch House (\$35K).

### 14.5.5 Operations and Maintenance

Operations and maintenance for rental housing has, in the past, primarily been undertaken on a reactive basis in response to a particular issue that has arisen. Those houses managed by a Property Management company are inspected on a 6 monthly frequency and maintenance issues are identified and resolved promptly. The maintenance strategy is set out below.



**Reactive Maintenance** – Repair of assets required to correct faults referred to Council by tenants or found during inspections. The approach will be to respond to these on a priority basis in consideration of the following factors:

- Safety/health of tenants
- Tenants use and enjoyment of the house is compromised or affected (e.g. stove does not work)
- The repairs are needed to protect assets from further deterioration and cost

The necessary repair work will be arranged by the Facilities Officers who will engage a local contractor from the “Approved Contractors List” (health and safety approved contractors).

**Planned Maintenance** – Also defined as preventative or programmed maintenance. Typical work includes repainting of external surfaces, repainting and redecoration of interiors. The programme and priority for work is based on condition inspections and reporting to monitor asset condition, identify emerging risks, and identify the need for maintenance and repair work. The priority of work is based on the consequences of asset failure on levels of service, costs and safety.

The planned maintenance programme will be regularly reviewed and updated at least every three years based on condition inspections, maintenance trends and risks. This activity will be implemented by contracts with specialist tradesmen depending on the nature of the work. The work may also be considered for inclusion in broader Council property maintenance contracts and a facilities management approach will be an option considered.

### Inspection and Reporting

An inspection and reporting programme is a critical aspect of ensuring that managers are aware of the condition of assets and services that are provided to the required standard on a reliable basis. It is intended to undertake regular property inspections to identify maintenance requirements. This includes:

- Periodic (six-monthly) property inspections by Property Management company.
- Final inspection (including methamphetamine testing) on tenancy ending.
- Formal periodic condition inspections and report (3-5 yearly)

Currently a number of rental houses are managed by a Property Management Company who carry out the periodic (three-monthly) property inspections, which Council receive a copy of and actions any repairs required.

### Operations and Maintenance Issues Identified

Specific maintenance and operating issues for rental housing that have been defined and the Council's management response is set out in the following table.

Issue	SDC Response	Timing
The previous reactive only approach to maintenance has led to a deterioration of some assets	<ul style="list-style-type: none"> <li>• Undertake catch up maintenance on some houses</li> <li>• Implement a planned maintenance programme for the future based on condition reporting</li> <li>• Carry out regular property inspections to identify maintenance requirements</li> <li>• Investigate formal maintenance contract for future programmes</li> </ul>	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Programme implemented from 2015/16</li> <li>• Inspections in progress for properties managed by external manager, Council managed property inspections to commence</li> <li>• As part of review for all property maintenance in 2021</li> </ul>
The age and condition of some houses means the quality is below customer expectations and there are recurring maintenance issues	<ul style="list-style-type: none"> <li>• Commence a programme to progressively upgrade and renew houses on a priority basis</li> <li>• Improve comfort through installation of insulation and efficient heating appliances</li> <li>• Take account of future strategic considerations e.g. disposal/demolition</li> </ul>	<ul style="list-style-type: none"> <li>• Renewal programme in place for permanent houses</li> <li>• Some heating and insulation upgrades completed. Continue work for Healthy Homes Standard requirements 01 July 2021.</li> <li>• Some work deferred on houses tagged for disposal</li> </ul>

Issue	SDC Response	Timing
Paying for major cleaning work once the tenants have left.	<ul style="list-style-type: none"> <li>Regular property inspections</li> <li>Take the maximum bond permissible</li> <li>Carry out a thorough vetting of potential tenants prior to letting</li> </ul>	<ul style="list-style-type: none"> <li>Regular inspections undertaken</li> <li>Current practice</li> <li>Current practice</li> </ul>

Table 14-10: SDC Rental Housing Operations & Maintenance Issues

### Rental Housing Healthy Homes Standards

All rental houses owned at the time the Residential Tenancies (Smoke Alarms and Insulation) Regulations 2016 came into effect (01 July 2019), had work completed to ensure compliance with the standards. A separate assessment has been carried out of rental house compliance with the Healthy Homes standard and a number of houses will require work for improved heating, ventilation, draught stopping and ingress and drainage issues. Some houses have been reported as non-compliant in relation to insulation, and Facilities Officers are seeking clarification on the difference between the insulation standards and/or interpretation of the standards. The minor non-compliance for drainage and ingress is in relation to gutters not being cleaned.

### Insert Healthy Homes Compliance Table

Insert table name.

### Rental Housing Asbestos

Under the Health and Safety at Work (Asbestos) Regulations 2016, Council, as a person conducting a business or undertaking (PCBU) is required to develop an asbestos management plan. The plan is to include identification of asbestos and ACM (asbestos containing materials) within all Council owned buildings, risk assessment and mitigation decisions relating to the managing of asbestos risk, detailed emergency procedures, and information, guidelines, protective equipment and health monitoring available to those required to work with asbestos on our property.

For rental houses, identification of asbestos and ACM is carried out when tradespersons are quoting for and completing work. Where identified it is either removed or recorded in the asbestos management plan for future reference.

### Historical Operations and Maintenance Costs

A summary of historical operations and maintenance costs for Council owned buildings over the previous five years is presented in the graph below.

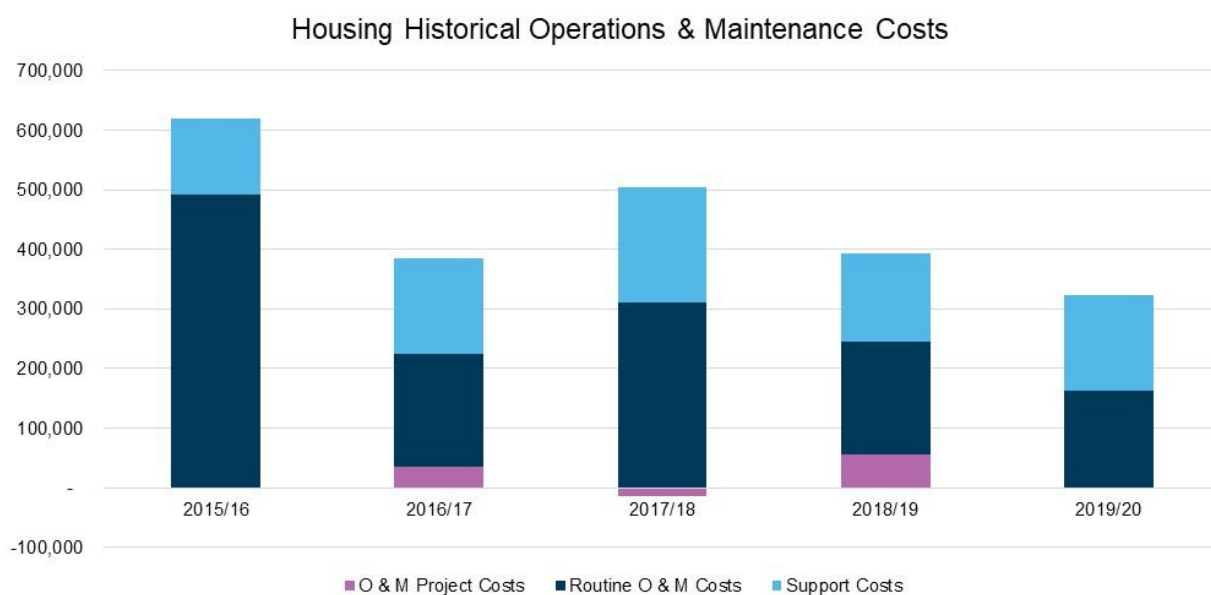


Figure 14-3: Rental Houses Historical O & M Costs

## 14.5.6 Asset Renewal

### Identification of Renewals

The identification of renewal works for rental housing has been based on a condition assessments carried out in 2020 by SDC facilities officers. This exercise also identified remaining useful life (RUL) to component level for all assets. The information captured was used to develop renewal programmes and also took account of:

- Age profile of houses
- On-going maintenance requirements and costs (economics)
- Overall condition
- Risks – consequence of failure especially tenant safety and continued service
- Bundling work to produce cost efficiency
- Obsolescence – potential to dispose of the house in the near future

The general tactics applied in managing renewal works for rental houses is to continue to replace asset components and undertake maintenance and refurbishment to keep the building in a habitable condition and extend its life. In some instances renewals will be deferred where the house is to be sold in the near future and it is not economic to undertake the work.

### Asset Coverage

All building components are included in capital renewal programmes for rental housing. Replacement of minor fittings will generally be undertaken as part of reactive works or routine maintenance programmes.

### Renewal Forecast

Renewal forecasting based on the approach outlined above for the various asset components comprising rental housing has been carried out for a 30 year horizon and is presented in the following graph. This shows that there are expected peaks in renewal expenditure later in the 10 year period which reflects the age and condition of some of the housing stock. A decision on the economic viability of continuing to invest capital to maintain the housing stock will be required during the ten year planning period.

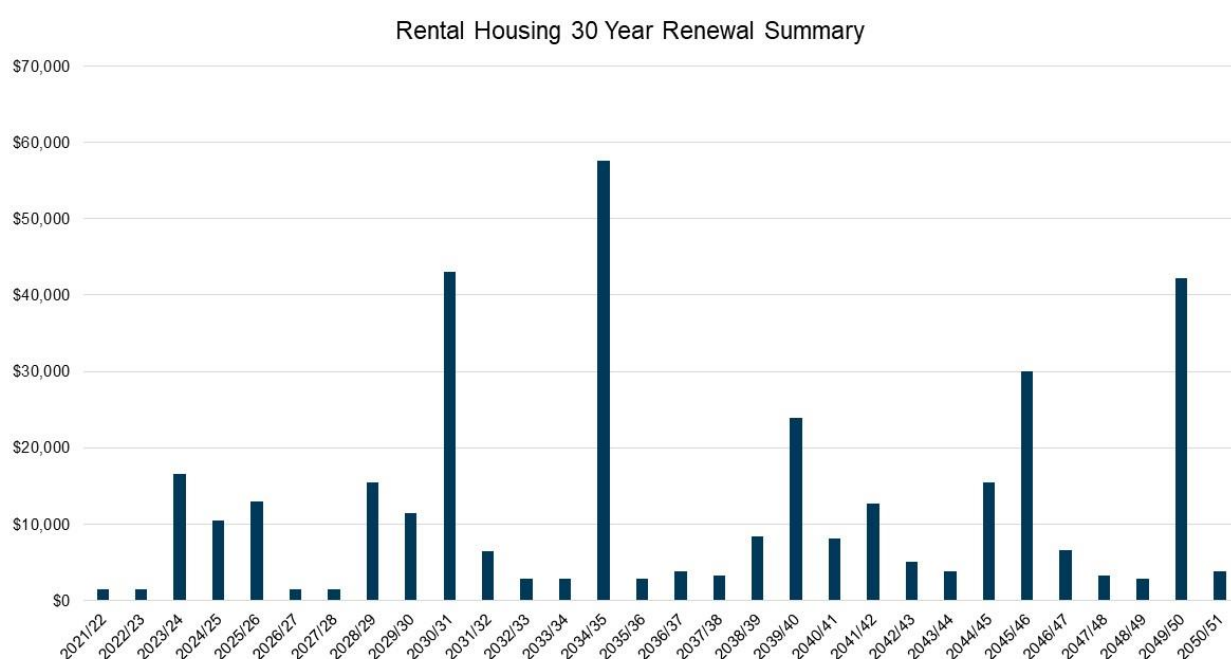


Figure 14-4: Rental Housing 30 Year Renewal Forecast

### Renewal Cost Projections

Planned renewal requirements for the next 10 years are scheduled in the attached Annex 14B, which identifies estimated costs for work programmes. A moderate renewal programme is indicated over the next 10 years with the main areas of expenditure being replacement of carpet, sanitary fittings, kitchen appliances, insulation and heating.

## Depreciation

Rental houses are depreciated on a straight line basis. Forecast depreciation requirements for rental housing over the next 10 years are identified in Figure 14-5 below, based on the current valuation and projected capital renewal programmes. The Council's current policy is to not fund depreciation for rental housing.

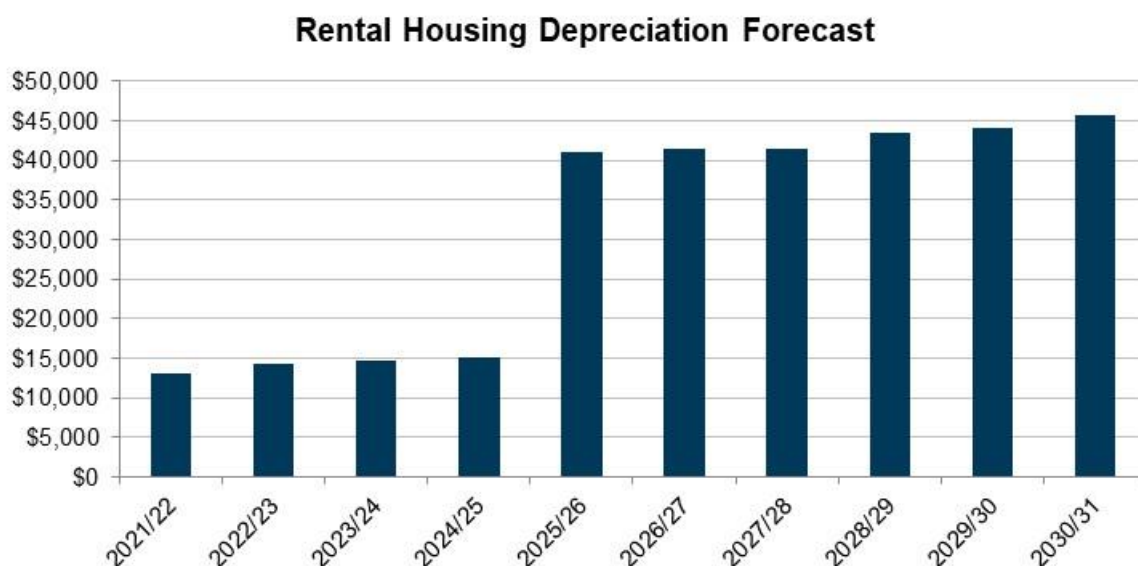


Figure 14-5: Rental Housing 10 Year Depreciation Forecast

### 14.5.7 New Asset Requirements

There are no planned new capital assets related to the rental housing activity, except where identified as a requirement to meet the Healthy Homes Standards e.g. new heat pumps or extraction/ventilation. Additional houses may be acquired as part of strategic property purchases for other purposes. These do not form part of this activity but may be managed for rental purposes on a temporary basis until sold or the site is redeveloped.

### 14.5.8 Disposal Plan

Rental houses were initially provided as accommodation for Council employees with the change in service delivery modes overtime these houses are now surplus to requirements. The Council has had a programme to divest ownership of these assets and has disposed of a number of houses over the last ten years.

The remaining "Council" houses are those located on reserve land that cannot be readily separated or sold, but the house itself could be considered for relocation or demolition if it becomes uneconomic to upgrade the facility.

In addition, the Council has purchased properties to enable the development of community facilities or other strategic purposes with the intention to dispose of the un-required portion of the land including any improvements.

A number of houses were purchased in Lincoln to provide for expanded community facilities and commercial activities and the site area required for this is now defined meaning that two houses will be surplus to requirements (11 and 11a West Belt).

Council has also initiated a process to dispose of surplus reserve land where this can be achieved. The disposal schedule includes the former "pound" site in Bethels Road that has a house located on it.

The disposal plan for these assets is shown in the following table.

Property	Planned Disposal Time	Disposal Costs	Estimated Gross Disposal Revenue
80 Moffat Dr, Lincoln	2020/21	\$9,600 – marketing, legal fees	\$320 k
11 & 11a West Belt, Lincoln	2021/22	\$16,000 – marketing, legal fees	\$640 k*
Bethels Rd House, Hororata (former pound site)	2020/21	\$15,600 – revocation, marketing, legal costs	\$391 k**
*Revenue to be posted to 1800 – Property & Buildings			
**Revenue to be post to 2699 – Gravel Reserves			

Table 14-11: Rental Houses Disposal Plan

### 14.5.9 Sustainable Management

As described in Chapter 17, Council has made a decision to integrate more sustainable management approaches in to the way it works, manages assets and delivers services. It is intended to incrementally introduce sustainable practice where this can be readily achieved as well as incorporating sustainability into decision-making processes.

Approaches to be considered in relation to rental housing include the following:

Wellbeing	Sustainable Approach
Environmental	Installation and management of effluent discharge systems that provide good environmental outcomes
Environmental	Use and selection of materials and products where sustainability is given significant weight in decision-making
Social	Support social housing initiatives by working with other agencies to provide additional infrastructure
Economic	Divest ownership of houses that are surplus to requirements and where retention will incur increasing costs to Council

Table 14-12: Rental Housing Sustainable Management

### 14.5.10 Risk Management

A risk assessment has been undertaken for rental housing and this process has identified a number of key risks. Mitigation and action measures to address risks have also been determined. Risk has been considered in the development and prioritisation of capital renewal programmes. Risk mitigation measures have been built into maintenance practices and inspections as required.

The Council's rental houses are not viewed as critical assets in consideration of the potential effects of asset failure and impact on the community. However, individual building components have been assessed in terms of criticality and this has been used as an input to planned maintenance and renewal programmes. Assets with a high level of criticality are given priority in terms of renewal programmes and maintenance inspections. This includes:

- Roof cladding (for weather tightness)
- Effluent discharge systems (septic tanks)
- Water supply system including pumps
- Stairs and handrails
- Electrical systems

The introduction of new legislation in the form of The Residential Tenancies (Smoke Alarms and Insulation) Regulations 2016, the Healthy Homes Standards and The Health and Safety at Work (Asbestos) Regulations 2016 has highlighted potential risk in regards to legal compliance of:

- Housing insulation, ventilation, draught stopping and moisture ingress controls meeting regulations
- Identification of asbestos and ACM within rental houses

A comprehensive risk assessment is attached to this plan in the Section 6 Appendix. Further information on risk management is contained in Section 6 of this plan.



## 14.6 Financial Programmes

This section provides a summary of historical financial variances and the financial forecasts for rental housing portfolio over the 10 year planning horizon. Additional information on financial forecasts is contained in Annex 12A.

### 14.6.1 Historical Financial Performance

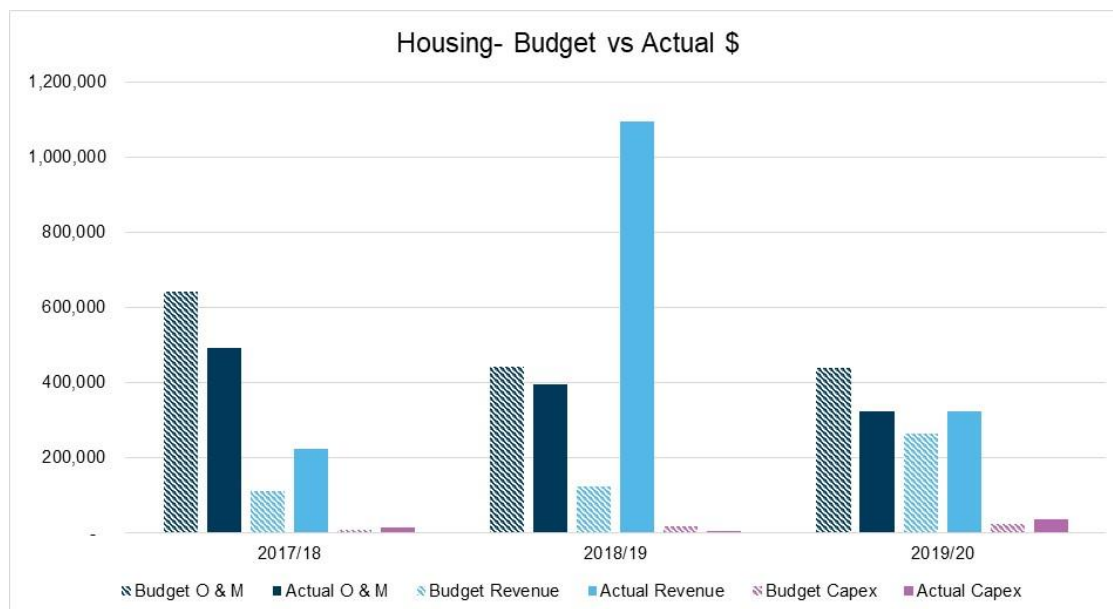


Figure 14-6: Rental Housing Historical Financial Performance.

The graph shown in Figure 14-5 shows the variances between Rental Housing, operations, revenue and capital budgets and actual spends for the past three years.

The variances can be explained as follows:

- 2017/18 opex is under budget due to delay in disposal of Ritso Street properties (disposal costs not spent).
- 2019/20 opex is under budget due to miscoding of some projects to other business units (e.g. 1800).
- 2018/19 and 2019/20 revenue is over budget due to gain on sale for the all Ritso Street properties (except no 1) and the section.
- Capex on some houses deferred as they are planned for sale or disposal

### 14.6.2 Operations and Capital

Previously houses were managed under the GL codes of 1700 (housing), 2020 (EPH's) and other codes if the property was on a recreation reserve. This has resulted in some miscoding of projects and work etc. To manage from 2021/22 all rental properties will be managed under the 1700 code. This also ensures compliance with GST reporting.

Rental Houses - Financial Summary	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
<b>Operating</b>										
Total Operating Revenue	203,540	163,540	163,540	163,540	163,540	163,540	163,540	163,540	163,540	163,540
Total Opex	349,355	333,085	329,613	314,324	313,854	335,363	312,233	312,632	327,710	322,412
Depreciation	12,021	13,173	13,573	14,128	39,962	40,358	40,458	42,480	43,107	44,734
Operating Surplus/Deficit	-157,836	-182,718	-179,646	-164,912	-190,276	-212,181	-189,151	-191,572	-207,277	-203,606
<b>Capital</b>										
Capital Renewals	1,500	1,500	16,500	10,500	13,000	1,500	1,500	15,500	11,500	43,100
New Capital - Improved LOS	-	-	-	-	-	-	-	-	-	-
New Capital - Growth	-	-	-	-	-	-	-	-	-	-
Total Capex	1,500	1,500	16,500	10,500	13,000	1,500	1,500	15,500	11,500	43,100

Table 14-13: Rental Houses (including EPH) Financial Summary

The graph below shows the total forecast operations and capital expenditure for rental housing (including EPH properties) over the 10 year planning period. Overall the projected financial position indicates that it is not a sustainable activity as the costs outweigh the revenue stream. As the portfolio of housing diminishes the viability of retaining this service diminishes (mainly as a result of overhead costs). Given that it is not a core function for Council, delivers few benefits and is becoming increasingly more costly to operate Council will continue to divest ownership of houses or explore ways to reduce costs or pass liabilities on to other parties (e.g. lease agreements).

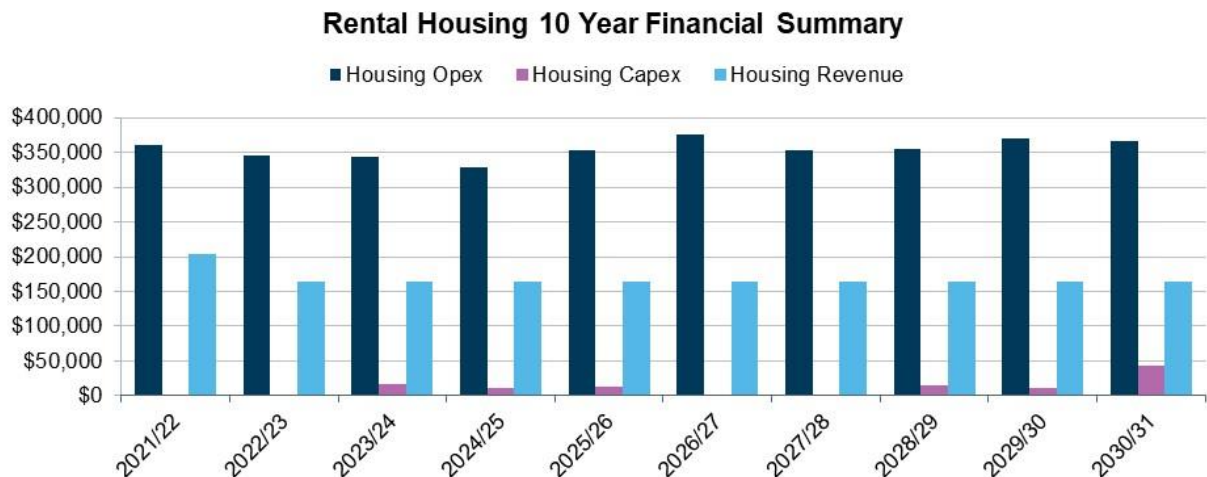


Figure 14-7: Rental Housing 10 Year Expenditure Summary

The forecast cash flow situation for rental housing is depicted in the graph below. This indicates future deficits for this activity as a result of reduced revenue, maintenance requirements and overhead costs.

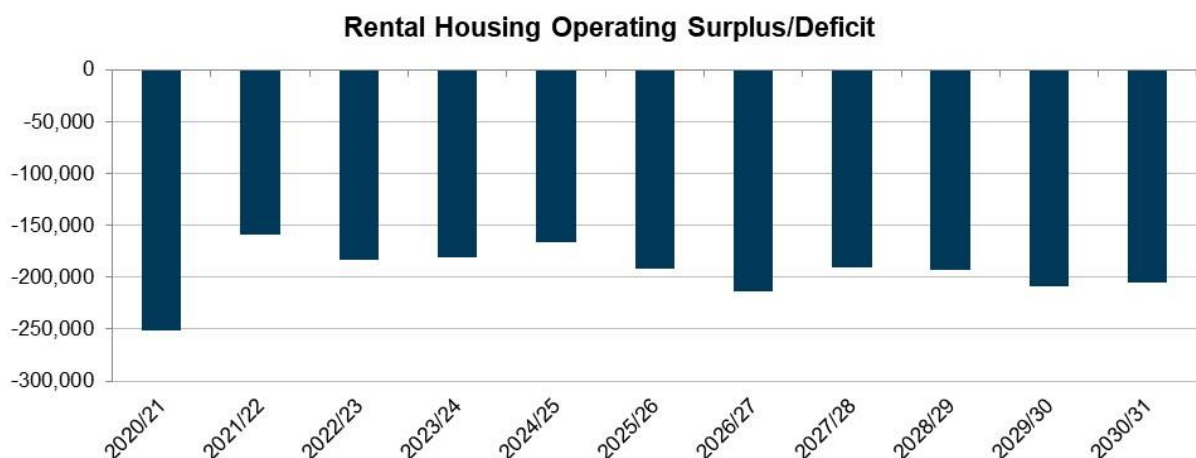


Figure 14-8: Rental Housing Forecast cash Flow Summary

There are no key projects or programmes scheduled for this activity for the forward 10 year planning programme.

### 14.6.3 Funding

The general approach to funding rental housing operations is set out below:

**Rental Houses Operating Expenses (excluding depreciation)** – Funded from rental revenues as the tenants gain full benefit of the service. General funds will need to be applied to this activity to offset operating deficits.

**Rental Houses Capital Expenses** – Funded from a combination of rental revenues and general funds. General funds are only used where the costs cannot be offset by revenues.

## Annex 14A

### Rental Housing 10 Year Financial Forecast

## Rental Housing 10 Year Financial Forecast

Rental Housing 10 Year Financial Forecast												
	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	10 Yr Total
<b>Operating Revenue</b>												
Operating Revenue - Housing	94,014	203,540	163,540	163,540	163,540	163,540	163,540	163,540	163,540	163,540	163,540	1,675,400
Operating Revenue - EPH	33,183	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Revenue</b>	<b>127,197</b>	<b>203,540</b>	<b>163,540</b>	<b>163,540</b>	<b>163,540</b>	<b>163,540</b>	<b>163,540</b>	<b>163,540</b>	<b>163,540</b>	<b>163,540</b>	<b>163,540</b>	<b>1,675,400</b>
<b>Opex</b>												
<b>Staff Costs</b>												
<b>Other Operating Expenditure</b>												
Routine Maintenance & Operations - Housing	111,431	134,804	135,804	134,804	134,804	135,804	134,804	134,804	135,804	134,804	134,804	1,351,040
Routine Maintenance & Operations - EPH	18,683	-	-	-	-	-	-	-	-	-	-	-
<b>Total Other Operating Expenditure</b>	<b>130,114</b>	<b>134,804</b>	<b>135,804</b>	<b>134,804</b>	<b>134,804</b>	<b>135,804</b>	<b>134,804</b>	<b>134,804</b>	<b>135,804</b>	<b>134,804</b>	<b>134,804</b>	<b>1,351,040</b>
<b>Support Costs</b>	<b>166,376</b>	<b>188,551</b>	<b>188,781</b>	<b>189,809</b>	<b>179,520</b>	<b>178,050</b>	<b>180,559</b>	<b>177,429</b>	<b>176,828</b>	<b>180,906</b>	<b>177,608</b>	<b>1,818,041</b>
<b>Operating Projects</b>												
Scheduled Maintenance Projects	33,000	26,000	8,500	5,000	-	-	20,000	-	-	12,000	10,000	81,500
<b>Total Operating Projects</b>	<b>33,000</b>	<b>26,000</b>	<b>8,500</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>12,000</b>	<b>10,000</b>	<b>81,500</b>
<b>Total Opex</b>	<b>329,490</b>	<b>349,355</b>	<b>333,085</b>	<b>329,613</b>	<b>314,324</b>	<b>313,854</b>	<b>335,363</b>	<b>312,233</b>	<b>312,632</b>	<b>327,710</b>	<b>322,412</b>	<b>3,250,581</b>
<b>Operating Surplus/Deficit (excl. deprn)</b>	<b>-202,293</b>	<b>-145,815</b>	<b>-169,545</b>	<b>-166,073</b>	<b>-150,784</b>	<b>-150,314</b>	<b>-171,823</b>	<b>-148,693</b>	<b>-149,092</b>	<b>-164,170</b>	<b>-158,872</b>	<b>-1,575,181</b>
<b>Depreciation</b>												
Depreciation - Housing	34,788	12,021	13,173	13,573	14,128	39,962	40,358	40,458	42,480	43,107	44,734	303,994
Depreciation - EPH	13,875	1,037	1,040	1,040	1,040	1,038	1,038	1,038	1,030	1,030	1,030	10,361
<b>Operating Surplus/Deficit (incl. deprn)</b>	<b>-153,630</b>	<b>-132,757</b>	<b>-155,332</b>	<b>-151,460</b>	<b>-135,616</b>	<b>-109,314</b>	<b>-130,427</b>	<b>-107,197</b>	<b>-105,582</b>	<b>-120,033</b>	<b>-113,108</b>	<b>-1,260,826</b>
<b>Capex</b>												
Capital Renewals	67,666	1,500	1,500	16,500	10,500	13,000	1,500	1,500	15,500	11,500	43,100	116,100
New Capital - Improved LOS	-	-	-	-	-	-	-	-	-	-	-	-
New Capital - Growth	8,000	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capex</b>	<b>75,666</b>	<b>1,500</b>	<b>1,500</b>	<b>16,500</b>	<b>10,500</b>	<b>13,000</b>	<b>1,500</b>	<b>1,500</b>	<b>15,500</b>	<b>11,500</b>	<b>43,100</b>	<b>116,100</b>
<b>Capital Revenue</b>												
Development Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Vested Assets	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Growth Opex</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Revenue</b>	<b>0</b>	<b>640,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>640,000</b>

## Annex 14B

### Rental Housing Projects



## Rental Housing Projects

Rental Housing Project Summary											
Township	Project Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Planned Maintenance Programmes											
Total Operational Projects		26,000	8,500	5,000	-	-	20,000	-	-	12,000	10,000
Renewal Projects											
District Wide	Building fitout renewal	-	-	-	-	5,000	-	-	-	3,500	28,600
District Wide	Appliance renewal	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
District Wide	Building envelope renewal	-	-	-	2,500	-	-	-	-	-	-
District Wide	HEVAC fire renewal	-	-	15,000	6,500	6,500	-	-	14,000	6,500	8,000
District Wide	Pool Pump and shed	-	-	-	-	-	-	-	-	-	5,000
Total Renewal Projects		1,500	1,500	16,500	10,500	13,000	1,500	1,500	15,500	11,500	43,100
Township Reserves & Streetscapes Project Summary											
Township	Project Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
New Capital - Improved LOS											
Total New Capital - Improved LOS		-	-	-	-	-	-	-	-	-	-
Township Reserves & Streetscapes Project Summary											
Township	Project Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
New Capital - Growth											
Total New Capital - Growth		-	-	-	-	-	-	-	-	-	-