

Reference Number: 2026/1344

25 February 2026

[REDACTED]
[REDACTED]
[REDACTED]

Tēnā Koe I Dear [REDACTED]

Thank you for your email dated 27 January 2026 requesting information relating to Community's' Pensioner Housing sale under the Local Government Official Information and Meetings Act 1987 (LGOIMA). I note the team sought clarification on your questions on the 4th February, and while we have not had a response the team have continued processing the LGOIMA as to provide you as much information as appropriate.

Please see below a response to each part of your request.

Can you explain why only 105 of the 115 units were required to be held until 16 March 2029 as stated in the conditions above? And who purchased or has ownership of the additional ten units?

To support effective portfolio management, the agreement included a condition that, for a defined period, a minimum of 105 of the 115 units would continue to be used for social and affordable pensioner housing. This requirement provided Homes of Compassion and Willis Bond with sufficient operational flexibility to undertake asset renewals, align housing provision with changing community needs, and complete any major capital works across the portfolio, while still ensuring continuity of housing supply at any given time.

The provision recognised the significant level of renewal and investment required across the assets and was intended to enable further reinvestment into the portfolio over time.

All units transferred as part of the transaction remain in the ownership of the entity to which Council sold the portfolio.

Do Willis Bond/Compassion Housing still hold 115 units.

Yes.

Was the loan, or any portion of it, utilised by HDC prior to the sale and if so, what was it used for as the Council had owned the Property Portfolio for many years?

The suspensory loan was used in full by Council for the development and modernisation of the community housing stock including adding to the newer part of the portfolio, specifically the building of the Cambridge Street Flats.

Was HDC required to underwrite the Housing NZ Suspensory Loan/s to Willis/Compassion Housing Bond? Were there provisions for Housing NZ loan forgiveness over time, and if so, how much?

The terms of the loan required security priority which would limit a Community Housing Provider (CHP) in their ability to obtain first mortgage funding. Therefore, the most straightforward way was to provide security without imposing lending limits on the CHP was for Council to provide a guarantee to Housing New Zealand (HNZ) for the duration of the suspensory loan period.

The purchaser signed the agreement taking on the full liability of the Housing Infrastructure loan of \$5.2 million for the remaining term under the same terms and conditions as the agreement signed by Council. The suspensory loan closes in part in 2028 with the remaining in 2029.

We report this as follows - A condition of the sale of residential housing to Compassion Horowhenua was that the suspensory loan from HNZ to build the Cambridge St flats will transfer to Sisters of Compassion, but Council will issue security stock as guarantee for the loan. The maximum financial exposure Council is open to of \$5,219k.

You will note this disclosure on Page 187 of our Annual Report which is a public document horowhenua.govt.nz/files/assets/public/v/3/council-documents/annual-reports/horowhenua-district-council-annual-report-te-purongo-a-tau-2024-2025.pdf

What conditions, if any, did HDC place on future sales and what implications and safeguards for tenants are included in the sale agreement?

- Covenants were placed on the Title Deed of the properties within the portfolio for the remaining term of the loan restricting the properties from use or sale other than to provide social housing (unless there is agreement from HNZA).
- At least 105 of the 115 units are provided for community housing (allowing some units to be offline at any one time for renewal works).
- The existing rights and welfare of the tenants at the time of transfer were protected under the terms of the transfer. It should be noted that Compassion Housing has significant experience in delivering pensioner housing and accessing MSD's Income Related Rent Subsidy ("IRRS") for qualifying tenancies.
- In particular Council sought to protect:

"Rental allocation: The units are targeted at 'low income' persons 55+ with an allocation preference for qualifying persons 65+.

Security of tenure: Tenants can remain in their tenancies so long as they pay their rent, are capable of independent living, and do not become a nuisance to other occupiers.

Minimum unit standards: Council's policy for service levels is based on providing a basic level of service delivery at a standard that seeks to maintain the status quo. Any potential owner should be expected to maintain this level of service and where possible demonstrate a long term commitment to improve it especially where there is a significant level of discount being applied."

The August 2017 sale and purchase agreement reportedly included 1.1 hectare of land, Waimarie Park, tagged for future housing. However, in 2020 HDC assumed a lease to maintain the park as a public space. It is unclear from whom the land was leased—Government, Willis Bond, or another entity?

Council does not lease this land or maintain it. Council's Open Spaces Maintenance contractor Green by Nature, also has a contract with Compassion Housing and maintains this space, and others, on their behalf. This land is owned by Compassion Housing / Willis Bond.

If leased from Willis Bond, was Waimarie Park part of the agreement in 2017 and if so for how much?

Please see response above. Council does not lease this land.

Council is currently seeking advice on what aspects of the full Council report presented in May 2017 can be released to the public. We intend to have this work completed by 9 March, and will advise you of the outcome of that.

You are entitled to seek an investigation and review by the Office of the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Horowhenua District Council publishes responses to Local Government Official Information and Meetings Act 1987 (LGOIMA) requests that we consider to be of wider public interest, or which relate to a subject that has been widely requested. To protect your privacy, we will not generally publish personal information about you, or information that identifies you. We will publish the LGOIMA response along with a summary of the request on our website. Requests and responses may be paraphrased.

If you would like to discuss this decision or any of the information provided as part of this request, please contact Brent Harvey (Group Manager Community Experience and Services) on brenth@horowhenua.govt.nz, or LGOIMAOfficer@horowhenua.govt.nz.

Ngā mihi | Best regards



Monique Davidson
Chief Executive