

Quarterly Performance Report

Eke Panuku Development Auckland

2023/2024 Quarter 2

For the 6 months ended 31 December 2023



Q2 - At a glance

Executive Summary

It has been a strong quarter. We have successfully progressed a number of projects that contribute to our SOI targets and development outcomes. Significant development activities include reaching conditional development agreements for the **Downtown car park** in the city centre, a mixed-use site on **Dominion and Valley Roads**, a site on Kings Road Panmure to build apartments and a residential development site in **Hobsonville**. Unconditional sales have also been completed for two properties at Takapuna for \$5.2m. Total property sales to date are \$10.1m and we forecast reaching our sales target at year end. A development partner has been selected for North Wharf in Wynyard Quarter after the market process. **Northcote Central** redevelopment is moving to the next stage of selecting a development partner following the expressions of interest process.

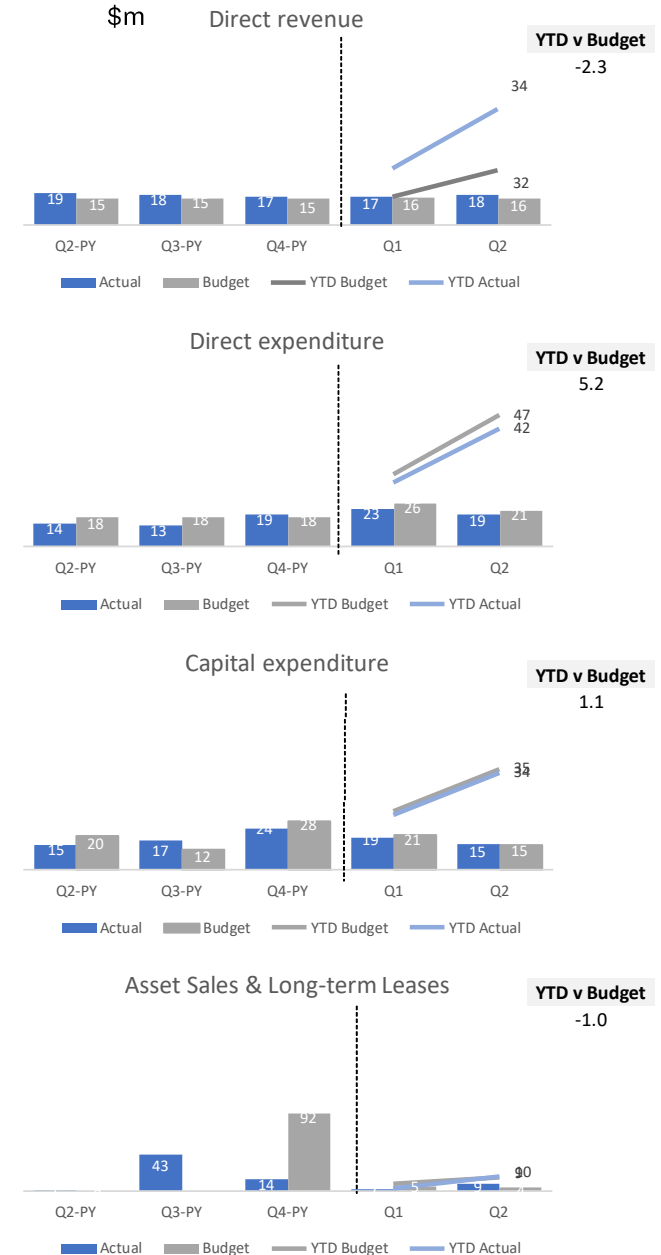
Three projects were completed in the quarter: The Pile Berth redevelopment of 89 new floating berths at Westhaven Marina along with a new car park, headland and waterfront promenade. Renewal of a skatepark in Panmure to benefit the local community. Completion of balustrades along the water's edge to improve health and safety in the Wynyard Quarter, as part of a waterfront-wide project.

Progress on SOI targets this quarter include completion of over 8,000 sqm of public realm works and completion of 32 of the 40 initiatives to support Māori outcomes. We maintain high occupancy rates across the residential and commercial properties and delivered a net surplus that is \$5.2m ahead of the \$10m Property Portfolio budget surplus to date.

Financial Performance

Direct revenue is favorable to budget as a small number of properties expected to be sold or vacant remained tenanted. Direct expenditure is tracking behind phased budget. Rates and people cost make up \$2m of this, due in part to the time taken to fill some positions. Capital projects spend is on track and is expected to be on budget.

Note: for more details on financials, please refer to Financials section – Pages 11 - 16



Highlights

- **Downtown car park** – a conditional agreement was reached with Precinct Properties to redevelop the Downtown car park for **\$122m**. Precinct will partner with Ngāti Whātua Ōrākei to redevelop the site into new offices, residential, hospitality and urban spaces for the public.
- **Dominion and Valley Roads, Mt Eden** – a conditional agreement has been secured to sell a prominent Dominion Rd site for new apartments and retail.
- **Waterfront Pile Berth Redevelopment** – a commercial project to upgrade Westhaven marina with 89 new floating berths and 2,000 sqm of new public space was opened to the public in December 2023. This includes new headland open space, carpark, and waterfront promenade.
- The **former Takapuna Library** at The Strand Takapuna was sold for \$3.2m.
- The **City Centre Action Plan** which guides the council group’s investment and programme of activity received endorsement from the Planning, Environment and Parks Committee in November.
- **Northcote Central** – Several expressions of interest were received in November for the large-scale redevelopment project. The shortlisted parties have been invited to participate in the next stage of the process to select a development partner. The redevelopment will include new dwellings, shops, eateries, offices, laneways, and a new town square.
- **Waterfront** – Completed the renewal of 950 sqm of public realm space at Market Square in the Viaduct including new pavement, street furniture, trees, gardens, and lighting. Completed construction of balustrades in the Wynyard Quarter to increase health and safety along the water’s edge.
- **North Wharf, Wynyard Quarter** – Selected a preferred development partner for the 3,700 sqm prime waterfront site that is currently tenanted by hospitality providers. Negotiations are currently taking place to achieve a development agreement.
- **Avondale** – Completed the developed design and lodgement of resource consent for construction of the town square and outdoor areas next to the Avondale Central residential development site and Te Hono, the planned Avondale community hub.
- **Panmure** – A conditional development agreement has been entered into for the site at 3 Kings Rd Panmure with a plan for 36 apartments.
- **Auckland’s storm-damaged properties** – Eke Panuku is assisting the Auckland Recovery Office in the buyouts. A process and resource were setup rapidly to respond to the urgent matter and now we are working together cooperatively, 90 acquisitions have been instructed, that is briefings for parties carrying out the acquisitions.



Issues/Risks

- Level of change across the council group impacts Eke Panuku future service delivery and programme momentum – We will work collaboratively with council on reviews contained in the Letter of Expectation (LOE) including shared services, property review and section 17A review of the Marinas.
- Longer time to attract partners with capacity to meet Eke Panuku outcomes – Property market demand and supply is affected by economic factors such as higher inflation and cost of debt and tighter lending requirements. This is affecting the delivery of our asset sale targets, regeneration outcomes and new dwelling units.
- Failure of development partners given market conditions – We continue to monitor arrangements with existing development partners and carry out due diligence as part of development partner selection process.
- Failure of infrastructure/ public assets such as bridges, wharves and seawalls – due to asset age, wear and tear, the impact of weather events and use extending beyond design life. We continue to manage this through the review of asset conditions, asset management plans, funded maintenance and renewals programme.



Key Performance Measures

Of the 12 SOI performance measures, 8 performance measures are on track to be met by year end based on year-to-date results, 1 measure is not on track, 2 are measured at the end of the year (surveys) and 1 is not measured (GFA).

We have exceeded the public realm sqm measure achieving 8,176 sqm out of a target of 7,000 sqm. This includes completion of the Westhaven marina Pile Berth Redevelopment project (2,000 sqm) in December 2023, Manukau Hayman Park Playground (basketball court 1,809 sqm) and Waiwharariki Anzac Square in Takapuna (2,084 sqm). We have not met the complaints resolution target due to the complexity of issues.

Strategic performance priorities	On track/ met	Not on track/ Not met	Not reported this quarter	Total
Urban regeneration	5		1	6
Property and marina management	2		1	3
Sector leadership	1	1	1	3
TOTAL	8	1	3	12

Note: for details on performance measures, please refer to the Performance measures section – Pages 9 - 10

Strategic alignment and key policies

Climate change and sustainability

- **Planning for several deconstruction projects.** We have conducted salvage surveys of buildings to be removed in Northcote and a deconstruction partner has been selected. A deconstruction approach ensures materials of value are identified and can be salvaged for reuse. Eke Panuku has also been involved with Council in developing a panel of approved deconstruction contractors.
- **Zero Waste Northcote programme continues to grow impact and outreach.** Implementation of the action plan is now supported and funded by a range of partners, under the leadership of Eke Panuku and Kaipātiki Project. A PhD research project on a behavioural change project will see several food businesses in properties Eke Panuku manages take part in a Food Scrap Diversion Trial. The project will promote sustainable behaviour within the community and contribute to academic knowledge.
- **Te Ara Awataha** restoration days continue monthly as part of growing local ownership and involvement in looking after the greenway. This includes stream monitoring, pest identification and removal.
- **Te Whakaoranga o te Puhinui (Puhinui Regeneration Programme)** continues to support an empowered communities approach to growing local ownership and involvement in looking after the Puhinui Awa. This includes stream monitoring, pest identification and removal, restoration works and supporting environmental education in local schools. This approach was recently featured in the Helen Clark Foundation Report: A Shared Future – Working with communities to adapt to a changing climate.
- **Zero Waste events** on the Waterfront, part of our clean events initiative ensuring waste separation systems and use of recyclable materials. We advocate for events to deliver on sustainability and climate outcomes; a recent example was the Ocean Globe race.

Māori outcomes

- **Commercial opportunities** – Eke Panuku presented the Northcote Town centre development opportunity in Q2, with a weighting for Māori outcomes in the evaluation criteria. All developers who responded to the expressions of interest process showcased the work they have delivered where they have partnered and collaborated with mana whenua.
- In December, the Eke Panuku Board confirmed the North Wharf development proposal submitted by a developer and mana whenua partnership was successful.
- **Engagement** – Eke Panuku has met with iwi in the kaitiaki forum to discuss the Terms of Reference for the Eke Panuku Mana Whenua Kaitiaki Forum. This document outlines processes and principles that underpin the forum’s purpose.
- The proposed public art for Madden and Daldy streets within the Wynyard Quarter precinct was presented by Graham Tipene, Ngāti Whātua Ōrākei artist, and endorsed by Mana Whenua.
- Eke Panuku developed an action plan to respond to some of the concerns raised by iwi in the annual independent survey by Kantar Public. This was endorsed by the mana whenua kaitiaki forum and the Eke Panuku ELT.
- Eke Panuku CE met with Rangatira to provide key organisational updates to ensure we remain transparent with iwi. Our Executives meet with iwi quarterly at the executive to Rangatira forum.

- **Culture and identity** – A mana whenua working group has been formed to work with the design team to ensure the Take Mauri Take Hono – Te Ara Awataha tool is weaved through the design of the Northcote community centre.
- Eke Panuku initiated an expression of interest process seeking a mana whenua mandated artist to inform and advise on key projects within the Panmure programme. The purpose of this advisor is to develop an expression of mana whenua values and cultural identity within the public realm design of the Panmure Lagoon Edge Reserve and Maungarei Connection projects.

Statement of performance expectations

Urban Regeneration

Other Highlights

- **Northcote** – The Te Ara Awataha project won the Environmental Sustainability Project Award at the Water New Zealand Excellence Awards held in October. Delivering substantial environmental, social, community, health, wellbeing, and infrastructure benefits.
- **Panmure** – The skatepark renewal, part of the Lagoon Edge Reserve enhancement project, was completed and celebrated with a community event held in November. The works have not only improved safety for skaters and allow for better use of the area but responded to a real community need to have somewhere local to go for active hobbies.
- **Manukau (Barrowcliffe site)** – 12 new homes have been completed by our development partner the Puhinui Park Limited Partnership (New Zealand Housing Foundation) consisting of social housing for the Māori Trustees. Along with housing built by the Kōtuitui Limited Partnership (Te Ākitai Waiohū and Avant Group), a total of 233 new homes have been built to date, out of an expected 291 new homes overall for the site.
- A total of 45 new homes have been completed by our development partners at 187 **Flat Bush School Road** this financial year.
- **Regional** – A conditional sales agreement have been reached for a Hobsonville residential development site which expects to deliver 58 new homes.

Issues and Risks

- A slow property market has affected several property sales. For example, 65 Haddington Drive Ormiston, 9 Hall Street Pukekohe, the proposed high-rise build to rent project on the gasometer site on Auburn St in Takapuna and Waiapu Precinct supermarket site in Onehunga where negotiations have stalled.
- Progress on the Avondale Central development has been delayed while Master Plan issues are being worked through with our development partner.
- In Manukau, the resource consent for Hayman Park Wetlands has been delayed due to issues found in relation to the proposed earthworks site. A review and amendment of the design is currently underway.

Programmes

Key Programme	Status	Progress towards key deliverables set out in the SOI (pages 20-27)
Northcote	On track	4 of the deliverables are on track and 1 is at risk. The Cadness reserve upgrade, Jesse Tonar Scout Reserve construction, community hub concept design approval and the town centre mixed-use development site at 115 Lake Rd are all on track. The town centre streets deliverable is at risk due to possible redesign work to address potential issues between the street design level and existing roads.
Takapuna	At risk	1 deliverable has been achieved, with the completion of the Waiwharariki Anzac Square and 2 deliverables are progressing but are at risk of not completing on time. Construction works for Northcroft street are expected to start in April 2024 and we are aiming to complete the works by the end of FY24. The Huron Street works have been delayed until early 2026 due to the works needing to coincide with a wider network upgrade by Healthy Waters. The Gasometer site Auburn Street build to rent high-rise residential and commercial development is now not expected to go unconditional until late 2024 due to a softening property market.
City Centre	On track	All 6 deliverables are on track. The Karanga-a-Hape station neighbourhood and bus improvements which was reported as being at risk last quarter is still approximately 3-4 months behind, however we are still on track to deliver on key CRL opening milestones. The City Centre Action Plan which guides the council group's investment and programme of activity was approved by the Eke Panuku Board last quarter and has now been approved by the Auckland Transport and Tātaki Auckland Unlimited executive. The plan was endorsed by Waitemata Local Board in October 2023 and by the Planning, Environment and Parks Committee November 2023. The Draft Framework Plan for the Port Precinct Future Development has been approved by the Eke Panuku Board and submitted to council. We are awaiting further direction from the governing body.
Waterfront	On track	2 deliverables have been met, 4 are on track and 1 target is at risk. The North Wharf commercial/retail development site sale is progressing with negotiations currently taking place with a preferred development partner to achieve a conditional long term lease agreement. 2 of the 3 public realm works deliverables have been met. The resource consent and design for staged delivery of the Westhaven seawall are now complete. Works on the seawall are expected to begin in April 2024. Good progress has been made on the Water Edge response works to improve the health and safety of our waterfront areas, works are now 80% complete. Works in the Wynyard Quarter are now complete and the space is open to the public. Te Ara Tukutuku (Wynyard Point) vision for the five hectares of open space, laneways, stormwater, utilities, landscaping, lighting, and seawall raising was approved by the Waitemata Local Board in December 2023 and design work is now underway. This collaborative project in partnership with mana whenua will guide the evolution of the Wynyard Point from its industrial past to a resilient, vibrant, and attractive waterfront space. The deliverable at risk is the long-term lease of the Lysaght building which was taken to market in late 2022 and an agreement with the interested party was unable to be reached. The site will be considered for a sale relaunch in early 2024.
Avondale	On track	1 deliverable has been met, 1 is on track and 1 is at risk. The developed design for the town square and outdoor spaces was completed in December 2023 and resource consent was lodged shortly after. The Avondale Central development is delayed while we work through Master Plan issues with the development partner.
Henderson	On track	2 of the deliverables are on track and 1 target is at risk. The Te Horotiu (Oratia link cycleway and bridge connection) developed design is on track to be completed in Q4 of this year with resource consent lodgment to follow. Catherine Plaza public realm works are on track with consent expected to be lodged before the end of FY24.

Key Programme	Status	Progress towards key deliverables set out in the SOI (pages 20-27)
		The Opanuku Link to improve connectivity between Corban Estate and the Henderson train station and town centre is at risk due to delays with consenting and weather-related issues. Consent has now been obtained. A value engineering exercise to review scope and reduce costs is currently being undertaken for finalisation of the detailed business case.
Onehunga	On track	<p>2 of the deliverables are on track and 2 are at risk. The Waiapu Precinct residential, commercial, and public space project is progressing with the Maungakiekie-Tamaki Local Board approval to take the public space concept design to public consultation. The Paynes Lane streetscape enhancement remains on track. Certificate of Compliance for the works was lodged with Auckland Council in late December 2023, a decision is expected in March 2024.</p> <p>The 2 deliverables relating to the sale and acquisitions are at risk due to protracted negotiations with the supermarket operator for the Waiapu Precinct and slowed negotiations for the Onehunga Mall site acquisitions due to Public Works Act (PWA) process.</p>
Panmure	On track	Both deliverables are on track. The Lagoon Edge Reserve enhancement project to expand and enhance the park space at the Panmure Domain is on track for consent lodgment by the end of financial year. The skatepark renewal aspect of this project is now complete and a community event was held in November 2023. The works have not only improved safety for skaters and allow for better use of the area but responded to a real community need to have somewhere local to go for active hobbies. The mixed-use development site at 535 Ellerslie Panmure Highway is progressing, a conditional agreement is currently with the preferred purchaser for review and signing.
Maungawhau	At risk	Regarding the marketing of the development sites surrounding the Maungawhau Station. Delays continue with obtaining property information which are impacting the timing of the due diligence process.
Manukau	On track	<p>5 of the deliverables are on track, and 1 is at risk. Streetscape works in Osterley Way are on track for consent lodgment in June 2024. We are progressing the preferred concept option for Cavendish Drive and Sharkey Street AUT Link, and the preferred concept design is expected to be sent to Auckland Transport in March/April this year. The link is part of Manukau's walking and cycling network works.</p> <p>We are also working with potential development partners for sites at 9 and 10 Putney Way and 33 Manukau Station Road to progress sales.</p> <p>Hayman Park Wetlands – Lodgment of resource consent has been delayed due to issues found in relation to the proposed earthworks site. A review and amendment of the design is currently underway to address these issues. Lodgment of consent is now expected in Q3 of FY24.</p>
Papatoetoe	On track	All 3 deliverables are on track. The resource consent application for the Cambridge Terrace Extension and carpark was lodged and accepted for processing in October 2023. Developed design is nearing completion for the Stadium Reserve capital works and Chambers Laneway upgrades and is on track to be finalised by the end of Q3. Resource consent for the works is on track to be lodged before the end of the financial year. Works are progressing on the 120 new homes at the St George Street residential development.
Pukekohe	On track	<p>3 deliverables are on track, and 2 are at risk. The resource consent application for the Roulston Park upgrade was lodged and accepted for processing by Auckland Council in November 2023 and detailed design is currently underway.</p> <p>The Edinburgh Superblock Central mixed-use development site is progressing with a marketing campaign expected to be launched in February 2024. 174-184 Manukau Road development site will be taken to the open market in February 2024. The double traffic light upgrade at East, King, Manukau, and Massey Roads is progressing with the business case being approved and the co-funding agreement is with Auckland Transport for signing.</p> <p>The site sale of 9 Hall Street, Pukekohe is at risk due to a lack of market interest in the site.</p>

Key Programme	Status	Progress towards key deliverables set out in the SOI (pages 20-27)
		The Market Precinct design and stage one consenting commencement is at risk. The concept plan was endorsed by the Franklin Local Board in November 2023; however the developed design is not expected to be completed until October 2024 due to the need for a more robust cost estimate and a proposed scope change for the project.
Regional programmes	On track	2 of the deliverables are on track and 1 is at risk. Negotiations are continuing with the Own Your Own Home portfolio preferred development partner; this deliverable is at risk due to an extension of time being agreed to meet the conditions. A preferred development partner for the mixed-use site at 198 Dominion Rd, Mt Eden has been secured. 65 Haddington Drive, Ormiston will be taken back to the market early 2024.

Note: for maps of the locations, please refer to Appendix – Urban Regeneration Spatial Delivery Plans – Pages 17 - 22

Property and marina management

Highlights

- The property portfolio has made good progress year to date with net surplus currently tracking \$5.2m ahead of budget.
- Waterfront’s Pile Berth Redevelopment was completed in December 2023. This commercial project began in 2019 to upgrade the marina and create additional boat mooring options at the busy Westhaven Marina as well as creating green space for public use, increased access to the waterfront and new carparking. A total of 89 new floating berths have been constructed and over 2,000 sqm of public realm works have been delivered.

Issues and Risks

- The **Wynyard Crossing Bridge** has temporarily broken down severing a key walking route between Wynyard Quarter and the rest of the city’s downtown area. The bridge span has been kept up to allow boats to access the Viaduct Marina, which was a requirement of the bridge’s resource consent if a fault occurred. Work to repair the bridge is progressing.
- With market conditions impacting some customers and tenants, we will continue with debt monitoring and follow-ups.

Programme

Key Programme	Status	Progress towards key deliverables
Renewals	On track	2 deliverables are on track and 2 are at risk. The Westhaven Marina fire alarm system upgrades have progressed slower than anticipated. Building consent was approved in October 2023 and works recommenced in December. A high-level cost estimate and scope of works has now been completed for the Manukau Harbour / Wairopa Channel works, which is currently under review. The construction works on the Bascule bridge, Waterfront are on track and renewals at 21 Princes Street, Auckland City are delayed due to project requirements that still need to be defined.

Performance measures

Performance measure	Previous year result	Target	Q2 Actual	Status	Commentary
Urban regeneration programmes and projects					
Net new dwellings (housing units) – LTP performance measure	364	60	58	On track	58 dwellings completed YTD. 46 in the Supports programme (83B Godley and Flat Bush School Road, Ormiston), and 12 dwellings in Kōtuitui Place Manukau (Barrowcliffe).
Commercial / retail gross floor area (GFA) or net lettable area (square metres) – LTP performance measure	-	Nil	-	N/A	Not measured as per SOI. The timing of construction projects meant there were no projects planned for the year.
Public realm – square metres	14,952 sqm	7,000 sqm	8,176 sqm	On track	The completion of 2,000 sqm of works in the Westhaven marina Pile Berth Redevelopment project in December 2023 takes our year-to-date total to 8,176 sqm. We have exceeded our target. Other completed public realm includes 1,809 sqm for Hayman Park Playground (half basketball court) in Manukau, and 1,333 sqm for Devon Lane upgrade in Pukekohe, Waiwharariki Anzac Square 2,084 sqm and the Waterfront’s Market Square works 950 sqm.
Capital project milestones approved by the board achieved – LTP performance measure	67%	80%	33%	On track	Year to date we have achieved 5 milestone targets. There are currently 2 milestones at risk.
Achieve board approved budgeted Transform and Unlock (T&U) sales for the financial year through unconditional agreements	\$13.7m	\$40m	\$0.6m	On track	\$600k of sales have been achieved YTD. One unconditional sale in Pukekohe was completed in September. A number of sales are forecast to be completed in Q4 FY24.
The asset recycling target agreed with Auckland Council	\$86.4m	\$115m	\$9.5m	On track	\$9.5m in unconditional sales have been achieved YTD. Unconditional offers were received for 2 properties, The Strand in Takapuna and 4 Blomfield Spa totaling \$5.2m. The Downtown carpark development agreement (\$122m) is forecast to go unconditional by end of June.

Property portfolio and marina management					
Annual property portfolio net operating budget result agreed with the council achieved – LTP performance measure	\$25.4m	\$17.3m	\$10.1m	On track	The net operating surplus for the property portfolio at the end of December is \$10.1m, this is \$5.2m ahead of budget.
Monthly average occupancy rate for tenanted properties - LTP performance measure	Commercial 94.0% Residential 97.1%	Commercial 90% Residential 95%	Commercial 95.8% Residential 96.6%	On track	Occupancy rates continue their stable trend. Both results are ahead of targets.
Percentage of marina customers surveyed who are satisfied with marina facilities and services	90%	88%	-	Reported end of year	The Marina customers survey will be measured at the end of year.
Sector leadership					
Creating positive outcomes for Māori Deliver ongoing or new initiatives that support Māori Outcomes	51	40	32	On track	32 initiatives were delivered YTD to support Māori outcomes. Examples of initiatives carried out include Panmure Station Precinct hui, Matariki FY23 report, Te Komititanga Place Pilot and Waiwharariki Community Event.
Enhancing the relationship between Eke Panuku and mana whenua Increasing the percentage of satisfaction with the support they receive from Eke Panuku	56%	5% increase on previous year	-	Reported end of year	This survey will be completed at the end of the financial year.
Percentage of complaints received by Eke Panuku resolved within 10 working days	100%	80%	62%	At Risk	We received 8 complaints YTD. 5 complaints met target and 3 were not met. No complaints were registered in December.

Financials – Eke Panuku company

Overall, the operating performance of Eke Panuku is favourable to budget, and the drawdown of funding from Council for Eke Panuku is \$2.5m less than budgeted.

A: Other direct revenue is unfavourable but not material, income from staff recharges for work on regeneration projects is behind phased budget, this is a temporary timing issue.

B: Employee benefits is favourable to budget \$1.4m, not all roles received the budgeted average pay increase last year or this year. There are 13 vacant positions and a timing difference in training and annual leave expense.

C: Other direct expenditure \$1.2m favourable to budget as there are timing differences to phased budget in consultant costs and communication costs.

Direct operating performance					
\$ million	Notes	FY24 Quarter 2 YTD			FY24
		Actual	Annual plan	Variance	Annual plan
Net direct expenditure		(9.4)	(11.9)	2.5	24.2
Direct revenue		8.9	9.0	(0.1)	17.6
Fees and user charges				-	
Operating grants and subsidies				-	
Other direct revenue	A	8.9	9.0	(0.1)	17.6
Direct expenditure		18.2	20.9	2.6	41.8
Employee benefits	B	15.2	16.6	1.4	33.3
Grants, contributions and sponsorship		0.0	0.1	0.1	0.1
Other direct expenditure	C	3.0	4.2	1.2	8.4
Other key operating lines					
Operating grants and subsidies intercompany		9.5	12.0	(2.5)	24.5
Depreciation and amortisation		0.2	0.2	(0.0)	0.3

Managed activities for Auckland Council

The financials in the table represent the Auckland Council portfolio managed by Eke Panuku. These exclude the net direct revenue that Eke Panuku has generated for properties managed for Auckland Transport \$0.6m which is \$1.7m favourable to budget. In addition, a \$4.2m on budget dividend has been paid to Council's Solid Waste team from the Waste Disposal Services investment, managed by Eke Panuku.

A: Direct revenue is \$2.4m favourable to budget, a property in the Wynyard Quarter was expected to be sold in FY23 and a small group of shops in Avondale expected to have been demolished have provided \$0.6m unbudgeted revenue to date. The balance of the variance is mainly made up of a one-off back payment for a rental increase on two tenancies, and the recovery of opex from tenants being ahead of budget due to a catch up of under recovery in FY23. Rates recovery are more aligned with actual rates costs. Additional small timing differences in car parking revenue and recovery of contribution towards costs of maintenance in the public spaces in the Wynyard Quarter from development partners in the area make up the balance.

B: Direct expenditure is \$2.5m favourable to budget, this is a timing issue which will correct by year end. Regeneration spend is tracking \$1.5m behind phased budget and Marinas \$0.6m, property portfolio and business interests make up the remaining balance.

Direct operating performance					
\$ million					
	Notes	FY 24 Quarter 2 YTD			FY24
		Actual	Annual plan	Variance	Annual plan
Net direct expenditure		1.9	(2.9)	4.9	1.1
Direct revenue		25.4	23.1	2.4	45.3
Fees and user charges		1.0	0.9	0.1	1.9
Operating grants and subsidies				-	
Other direct revenue	A	24.4	22.1	2.3	43.4
Direct expenditure		23.5	26.0	2.5	44.2
Employee benefits		0.0	0.0	0.0	-
Grants, contributions and sponsorship				-	-
Other direct expenditure	B	23.5	26.0	2.5	44.2
Other key operating lines					
Finance revenue				-	0.1
Depreciation and amortisation		11.4	11.5	0.1	23.0

Financial breakdown by key activities

Eke Panuku Cash Flows

	YTD Actual	YTD Budget	YTD Variance	Full year budget	
Capital Inflows					
Selling Council's surplus property	9.5	4.2	5.3	115.0	Still on track to meet this target, majority of sales were budgeted in quarter 4.
Selling or long leasing property to reinvest in our urban regeneration locations	0.6	4.9	(4.3)	40.0	Still on track to meet this target, majority of sales budgeted for quarter 3 and 4.
Third party capital contributions	-	2.7	(2.7)	3.8	No revenue received to date as the capital project that it relates to, is still in the procurement process. Construction is still expected to start this financial year, but revenue is only expected to be \$1.5m this year with the remainder in FY25.
Capital Outflows					
Investing in council group assets to support regeneration and asset renewals	34.1	35.2	(1.1)	76.7	Capital spend to date on track and expected to be on budget.
Operational Inflows					
Revenue from property interests for Council group	38.3	35.5	2.8	68.7	Small increase in revenue received to date from a small number of properties that have been held for longer than expected and increased revenue from rent increases.
Operational Outflows					
Managing council group properties	8.8	11.0	2.2	21.4	Savings in year due to staff vacancies.
Utilities and leases for council group owned assets we manage	4.1	4.3	0.2	6.3	
Rates on council group owned assets	7.3	7.9	0.6	7.9	Savings to date should continue to be held in year.
Maintenance of council properties	5.5	7.2	1.7	13.0	
Consultation, negotiation, and sales processes to sell council property	1.5	1.5	-	3.5	
Leading regeneration of town centres, city centre and waterfront.	8.8	11.5	2.7	22.5	Savings in year due to staff vacancies and timing of external spend on consultants, communications, and engagement.

Operating expenditure

Urban regeneration

	Notes	Previous year Actual	Actual	2023/24 YTD Budget	Variance	Full year Budget
Transform and Unlock Locations						
Net direct expenditure		12.3	4.9	6.4	1.5	11.8

Capital expenditure

			2023/24 YTD			Full year
	Notes		Actual	Budget	Variance	Budget
Property renewals		10.0	2.5	2.6	0.1	8.0
Transform and Unlock Locations						
<i>Isthmus</i>		3.7	1.5	1.5	0	4.2
<i>North</i>		14.2	2.6	3.7	1.1	7.3
<i>South</i>		10.8	8.3	7.5	(0.8)	13.9
<i>West</i>		2.6	0.6	0.4	(0.2)	15.5
<i>Waterfront</i>		22.8	16.5	14.4	(2.1)	17.8
Regional		4.9	2.1	5.1	3.0	10.1
Total		69.0	34.1	35.2	1.1	76.8

Asset sales and long-term leases

	Notes	2023/24 YTD			Full year
		Actual	Budget	Variance	Budget
General Asset sales for the group		9.5	4.2	5.3	115.0
Reinvestment - Transform and Unlock		0.6	4.9	(4.3)	20.0
Total		10.1	9.1	1.0	135.0
Waterfront long leases		0	0	0	20.0

Property and marina management

	Notes	Previous year	2023/24 YTD			Full year
		Actual	Actual	Budget	Variance	Budget
Auckland Council Properties						
Direct revenue		34.9	18.9	16.6	2.3	33.0
Direct expenditure		12.8	9.4	10.7	1.3	16.3
Net direct expenditure		22.1	9.5	5.9	3.6	16.7
Waterfront Public Space						
Direct revenue		0.6	0.4	0.2	0.2	0.3
Direct expenditure		4.5	3.5	2.4	(1.0)	5.0
Net direct expenditure		3.9	(3.1)	(2.2)	(0.8)	(4.7)
Marina Operations						
Direct revenue		13.6	8.0	8.1	(0.1)	16.1

	Notes	Previous year	2023/24 YTD			Full year
		Actual	Actual	Budget	Variance	Budget
Direct expenditure		5.1	3.0	3.1	0.2	6.5
Net direct expenditure		8.5	5.0	5.0	0.0	9.6
Marina Trusts						
Direct revenue		5.7	3.6	3.5	0.1	6.8
Direct expenditure		5.5	3.0	3.5	0.5	6.9
Net direct expenditure		0.2	0.6	0.0	0.5	(0.1)
Auckland Transport Properties						
Direct revenue		8.0	3.4	3.2	0.2	6.4
Direct expenditure	1	3.0	2.7	4.3	1.6	5.8
Net direct expenditure		5.0	0.7	(1.1)	1.8	0.6
Business Interests						
Direct revenue (includes share of JV Profit)		8.1	4.5	4.3	0.1	8.6
Direct expenditure		0.6	0.3	0.4	0.2	0.7
Net direct expenditure		7.5	4.2	3.9	0.3	7.9

Activity based financials commentary:

1. Auckland Transport expenditure included \$1.4m for a substantial renewal on a property, subsequent to the budget being set, this project was recategorized as a capital spend within Auckland Transport's budget. Project will be delivered by Eke Panuku and costs transferred to Auckland Transport, and it will not be shown as an operational cost.

Appendix – Urban Regeneration Spatial Delivery Plans

These plans provide a summary of projects within each programme and provide updates on specific projects.

We will present **five location programmes per quarter** reporting cycle. These are for the quarter ending December 2023.

The link below is to the Eke Panuku board reports public information webpage which contains the full set of spatial delivery plans:

<https://www.ekepanuku.co.nz/about/public-information/>

Locations	Reporting Cycle	Regional Programmes	Reporting Cycle
1. Northcote	Q1		
2. Takapuna	Q1		
3. Henderson	Q1		
4. Avondale	Q1		
5. Maungawhau	Q1		
6. City Centre	Q2		
7. Waterfront	Q2		
8. Onehunga	Q2		
9. Panmure	Q2		
10. Manukau	Q2		
11. Old Papatoetoe	Q3		
12. Ormiston	Q3		
13. Pukekohe	Q3		
		14. Eastern Busway TODs	Q3
		15. Service Property Optimisation	Q3
		16. Corporate Property	Q4
		17. Haumaru Scope	Q4
		18. Supports Scope	Q4
		19. Regional Renewals	Q4
		20. Waterfront Renewals	Q4

CITY CENTRE PROGRAMME

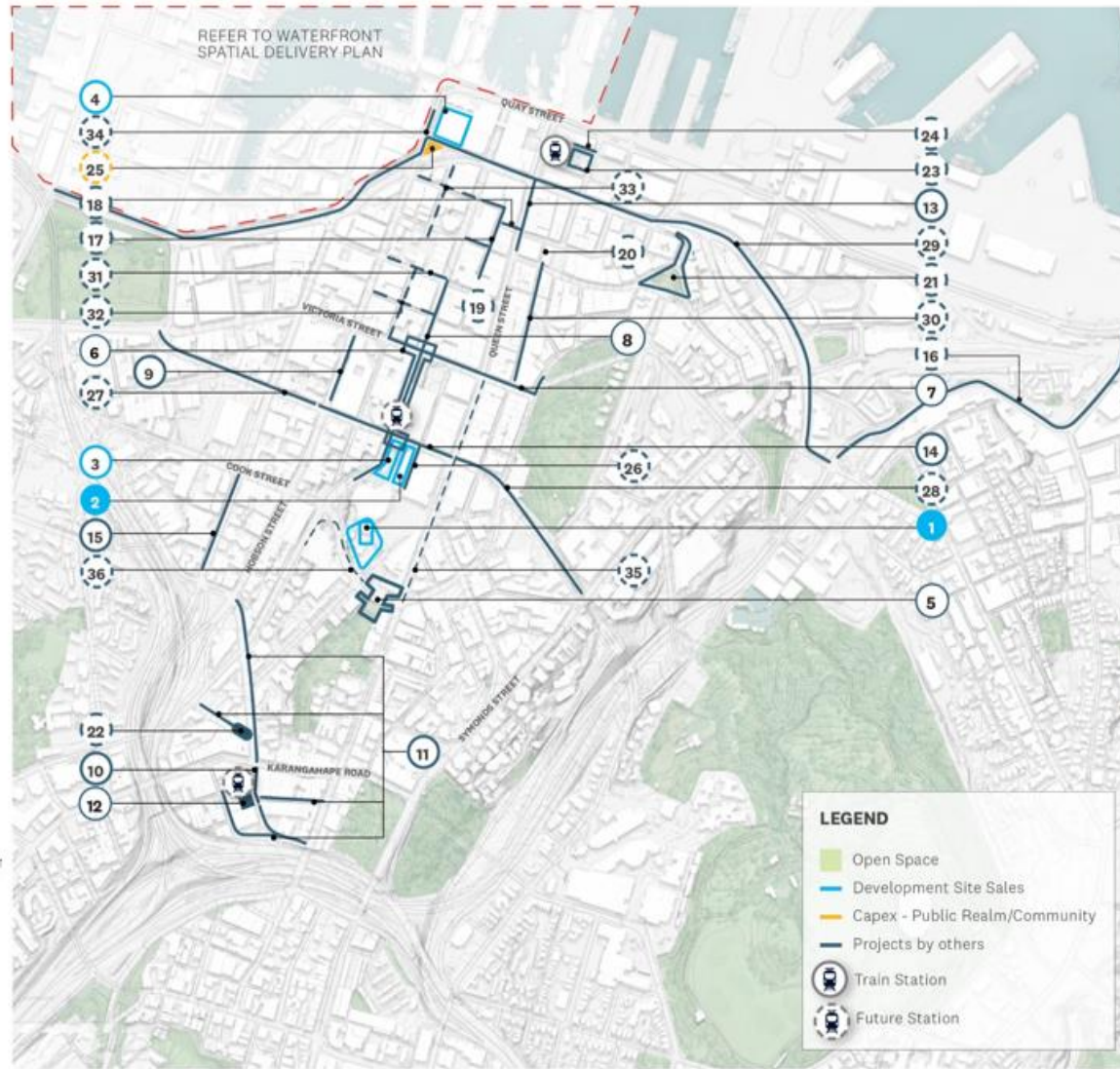
Projects completed

- 1 Civic Administration Building Redevelopment
 - 2 Bledisloe House Redevelopment
- ### FY24
- 3 CRL Over Station Development: Symphony Centre
 - 4 Downtown Carpark Redevelopment
 - 5 Myers Park Underpass
 - 6 Te Waihorotiu CRL Station
 - 7 Te Ha Noa - Victoria Street Linear Park
 - 8 Albert Street Upgrade
 - 9 Hobson Street NZICC
 - 10 Upper Mercury Lane
 - 11 Pitt St, Canada St, East St, Cross St, Beresford Sq and Mercury Ln multi-modal improvements
 - 12 Karanga-a-hape Station
 - 13 Lower Queen Street Upgrade
 - 14 Wellesley Street Bus Improvements Stage 1
 - 15 Nelson Street Slip Lane

- ### FY25
- 16 The Strand - T2 Freight Lane Investigation
 - 17 Mills Lane & Swanson Streets Upgrade
 - 18 Exchange Lane Upgrade
 - 19 City Centre Wayfinding Programme (City wide)
 - 20 Jean Batten Place Public Art
 - 21 Emily Place Upgrade
 - 22 Beresford Square Reinstatement
 - 23 Station Plaza
 - 24 Tyler Street Upgrade

- ### Long-term projects (FY26+)
- 25 Sturdee Street Park
 - 26 Bledisloe Lane Upgrade
 - 27 Wellesley Street Bus Improvements Stage 2
 - 28 Wellesley Street Bus Improvements Stage 3
 - 29 Fanshawe St, Custom St and Beach Rd Bus Improvements
 - 30 High Street Upgrade
 - 31 Wyndham Street Upgrade*
 - 32 Federal & Kingston Streets Upgrade*
 - 33 Federal Street Northern Precinct*
 - 34 Hobson Street Flyover removal
 - 35 Watercare Queen Street Diversion
 - 36 Watercare Mayoral Drive Diversion

(*) - timing subject to adjacent development



The City Centre Action Plan (Action Plan), which is the implementation pathway for the City Centre Masterplan, has now completed its extensive governance runway. Action Plan programmes and Programme Leads have been established to ensure that there is a focus on implementation.

City centre priorities agreed through the development of the action plan are now informing the LTP & RLTP processes. Analysis is underway to determine whether the current funding profile responds to the city centre priorities and whether the desired outcomes for the next 1-10 years are achievable.

Key programmes including enhancing the experience of people in the city centre and supporting the urban regeneration benefits of CRL are progressing well. The Karanga-a-Hape station neighbourhood and bus improvements programme, which has faced delays, has recently had funding confirmed, enabling the programme to progress to consultation and the next phases of design. Despite delays, the programme is still showing that delivery ahead of CRL opening is achievable.

City centre health metrics continue to show positive trends. Key highlights from 2023 Infometrics data include:

- City Centre economy (GDP) increased 9.2%, more than double the rate of rest of Auckland
- City Centre employment grew by nearly 11,000 (7.3%), triple the rate of the rest of Auckland
- Residential population increased again (by over 2,000) after declining in 2022 and 2021

WATERFRONT

Vision: A world-class destination that excites the senses and celebrates our sea-loving Pacific culture and maritime history. It supports commercially successful and innovative businesses and is a place for all people, an area rich in character and activities that link people to the city and the sea.



Port Precinct Future Development project - The Framework Plan and associated board paper was endorsed by the Eke Panuku Board in November 2023. The Framework Plan and supporting paper was submitted to the Mayor's Office and Auckland Council CEO in December

29 A Te Ara Tukutuku - The Vision and the supporting framework document was endorsed by the Eke Panuku Board and approved by the Waitemata Local Board in December 2023. Following a public soft launch of the Vision and Framework material, feedback was reported to the Eke Panuku and Waitemata Local Boards in December 2023. The next stage of design development will occur over February to June, including further stakeholder and political engagement.

17 North Wharf - The Request for Proposal (RFP) for North Wharf closed in November 2023. A preferred development partner has been selected which was approved by the board late December 2023. The negotiation period is now underway.

12 101 Pakenham St (Lysaght Building) - No successful agreements were reached when the site went to market in late 2022. A relaunch of the sales process will be considered early 2024.

5 Waters edge response works - Works on improving the health and safety of our waterfront edge spaces began in April 2023 and are now 80% complete. Works include upgrade/installation of balustrades, lighting, signage and identification of mode priority in shared spaces across our wharf areas.

9 Westhaven Seawall Upgrade - Resource consent was granted in October 2023. A contractor has been selected to undertake the works which are expected to start on site in April 2024.

10 Pile berth development - Stage two of the project commenced in late February 2023 to extend the Westhaven Promenade boardwalk along the southern side of the reclamation, install new utility services, and construct a new car park and landscaping. Works were completed in December 2023 and the area was opened to the public with a dawn Karakia by Ngāti Whātua Ōrākei. This was an FY24 SOI capital works milestone target and provides 2,000 sqm of public realm space.

8 Market Square public realm enabling works were completed in November 2023 and provide 950 sqm of public realm improvements to the area.

ONEHUNGA

Vision: To create a flourishing Onehunga that is well connected to its past, its communities and the environment, including the Manukau Harbour.

Projects completed & underway

- 1 Laneway 7
- 2 38 Neilson Street acquisition
- 3 Onehunga Port acquisition
- 4 DressSmart 3 Paynes Ln Site Sale
- 5 Onehunga Mall Club (Lamont & Co.)
- 6 Fabric development (Lamont & Co)
- 7 Ngā Hau Māngere Bridge (Waka Kotahi NZTA)

FY24

- 8 Waiapu Lane Precinct Public Realm
- 9 Town Centre to Wharf Link Stage 1

FY25

- 10 Paynes Lane Streetscape Upgrade (Laneway 8)
- 11 Te Pumanawa Precinct Public Realm
- 12 Onehunga Wharf Building Upgrades
- 13 Waiapu Precinct Commercial Site Sale
- 14 Waiapu Precinct Residential Site Sale
- 15 Waiapu Precinct Supermarket
- 16 Te Pumanawa Church Street upgrade

Long-term projects (FY26+)

- 16 Onehunga Wharf Public Realm
- 17 Onehunga Wharf to Taumanu Walking & Cycling
- 18 Town Centre to Wharf Link Stage 2
- 19 Te Pumanawa Precinct Development
- 20 9-21 Waller Street Development
- 21 38 Neilson Street Development
- 22 Train Station Precinct
- 23 Auckland Light Rail (Waka Kotahi / AT)
- 24 East West Link (Waka Kotahi NZTA)



Waiapu Precinct supermarket – Negotiations are on-going with the supermarket operator.

Onehunga Mall site acquisitions – Negotiations are continuing with affected property owners.

Paynes Lane streetscape upgrade – A project to create a pedestrian friendly thoroughfare which ties the new Dress Smart precinct into the Onehunga Mall mainstreet. The concept design is now complete with development design well underway. Certificate of Compliance was lodged with Auckland Council in late December 2023 and is currently being assessed. We are on track to achieve our SOI target of obtaining consent for the works.

Waiapu Precinct –The Maungakiekie-Tamaki Local Board approved the concept design of the public space to go to public consultation at its November 2023 meeting. Consultation seeking feedback on the public space commences in February. Resource consent for the subdivision and enabling works was approved in December 2023.

PANMURE

Vision: To create a vibrant centre that is a great place to live, visit, and do business; building on Panmure's distinct landscape, transport connectivity, family friendly community, and lifestyle amenities.

Projects completed & underway

- 1 Streetscape Improvements Stage 1 (Clifton Court)
- 2 AMETI- Eastern Busway - AT
- 3 Panmure Station Upgrade

FY24

- 4 Streetscape Improvements Stage 2 (Queens Road)
- 5 535 Ellerslie Panmure Highway Site Sale

FY25

- 6 Lagoon Edge Reserve Upgrade
- 7 3 Kings Road Site Sale
- 8 11-13 Lagoon Drive, Panmure Site Sale
- 9 10 Basin View Lane Site Sale
- 10 9 Jellicoe Road Site Sale

Long-term projects (FY26+)

- 11 Basin View Pedestrian & Cycle Connection
- 12 Maungarei to Town Centre Connection
- 13 Streetscape improvements Stage 3
- 14 486-492 Ellerslie Panmure Highway Site Sale
- 15 Basin View Precinct Staged Site Sales
- 16 Gateway West 13-27 Queens Rd Site Sale
- 17 59 & 59a Mountain Road Site Sale
- 18 Station Precinct Staged Site Sales
- 19 28-30 Pilkington Road Site Sale
- 20 7-13 Pilkington Road Redevelopment Feasibility
- 21 Maunaina Upgrade (TRC)
- 22 Pleasant View Road Development (TRC)



3 Kings Road development site - A conditional agreement has been entered into. An ombudsman complaint about the sale of this site has been lodged.

535 Ellerslie Panmure Highway mixed-use development site - A conditional development agreement is currently with the preferred purchaser for execution. This follows the conclusion of the tender process in July 2023. At this stage we are still comfortable that negotiations will be satisfactorily concluded, and an agreement will be reached.

Lagoon Edge Reserve upgrade - A project to create an urban waterfront park adjacent to the existing lagoon pools as an anchor destination at one end of the proposed pedestrian and cycle link between the maunga and the basin. Developed design and consenting application is underway and on track for lodgement by the end of 2023. The completion of the skate park upgrade was celebrated with a skate jam community event held on the 11 November 2023. The works have not only improved safety for skaters and allow for better use of the area but responded to a real community need to have somewhere local to go for active hobbies.

MANUKAU

Vision: Thriving heart and soul for the south

Projects completed

- 1 Westfield Mall Carpark Site Sale
- 2 Vodafone Events Centre Carpark (partial sale)
- 3 52-54 Manukau Station Road (MIT) Site Sale
- 4 20 Barrowcliffe Place Site Sale
- 5 Barrowcliffe Pond Shared Path
- 6 Barrowcliffe Bridge Works
- 7 Puhinui Wiri playground Works
- 8 Putney Way Stage 1
- 9 Wiri Bridge Capital Works

FY24

- 10 Leases and Covenants Progressed
- 11 Hayman Park Playground Works
- 12 Parking Management Solutions (across the programme)

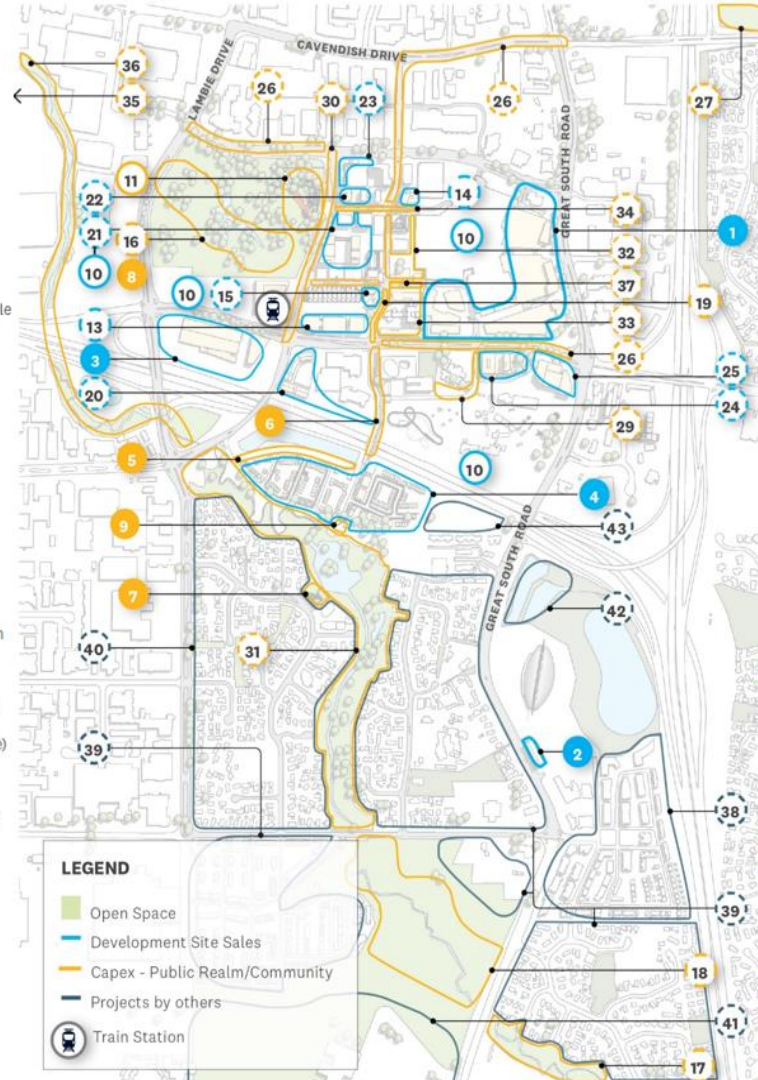
FY25

- 13 33 Manukau Station Road Site Sale
- 14 9 Osterley Way Site Sale
- 15 10 Putney Way Site Sale
- 16 Hayman Park Wetland Works Contribution
- 17 Puhinui Stage 1 - Ratavine Reserve Works
- 18 Puhinui Stage 2 - CMDHB Walkway Works
- 19 Osterley Way at Civic Streetscape Works

Long-term projects (FY26+)

- 20 50 Wiri Station Road Site Sale

- 21 14 Davies Avenue Site Sale
- 22 8 Davies Avenue Site Sale
- 23 2 Davies Avenue Site Sale
- 24 12 Manukau Station Road carpark Site Sale
- 25 2 Clist Crescent carpark Site Sale
- 26 Walking and Cycling Network Works
- 27 Manukau Sports Bowl Investigation
- 28 Manukau Public Art contribution (across the programme)
- 29 Karina Williams Way Extension Works
- 30 A2B Streetscape Contribution
- 31 Puhinui Stage 3 - Wiri Reserve Works
- 32 Manukau Square Works
- 33 Manukau Civic & Putney Way Contribution
- 34 Osterley + Amersham Way Works
- 35 Puhinui Stage 4 - Manukau Industrial Area Works
- 36 Puhinui Stage 5 - Puhinui Park Works (Plunket Ave)
- 37 Putney Way Stage 2
- 38 Pacific Gardens Residential Development
- 39 Wirihana Residential Development
- 40 Kainga Ora Investigations
- 41 Manukau Health Park development
- 42 Healthy Waters Upgrades
- 43 Ngati Tamaha development



18 Puhinui Regeneration Strategy initiatives –All initiatives are underway and being progressed with Mana Whenua. The acquisition of 7.6ha of land at the super clinic in Manukau/Wiri to enable the future walkway and cycleway has completed and is settled. The concept design for the first two stages of the walkway and cycleway have been approved by the Manurewa Local Board. We are now progressing with the Developed Design phase.

21 14 Davies Avenue – A project to enable residential and commercial development. We are still in negotiations with the appellants following the High Court ruling in Council's favour. We are yet to get Auckland Transport approval to release the site.

16 Hayman Park wetland works – Lodgement of the resource consent has been delayed due to the discovery of an inland wetland and high groundwater levels which both impact the proposed area of earthworks. In light of this, a review and amendment of the design is currently underway. Consent is now expected to be lodged towards the end of Q3.

13 33 Manukau Station Road – The GPG is progressing the Business case to bring together crown agencies under one agreement to lease, fund and secure the ability to deliver one integrated building for multiple crown users.

19 Osterley Way civic streetscape works Include streetscape upgrade with landscaping, new surfacing, lighting, wayfinding and separated cycleway. Developed design is underway and estimated to be completed at the end of Q3. Resource consent is targeted for the last quarter of FY24.

15 10 Putney Way – A Heads of Agreement is currently being negotiated with Ngati Te Ata and their commercial partner.

26 Cavendish Drive & Sharkey Street AUT Link – Identification of potential bus lane clashes and a review of landscaping items to ensure the project delivers the best outcomes for the walking and cycling connection is currently underway. The preferred concept design is expected to be sent to Auckland Transport in March/April this year.