



# Quarterly Performance Report

# Eke Panuku Development Auckland

2023/2024 Quarter 3

For the 9 months ended 31 March 2024



# Q3 - At a glance

## Executive Summary

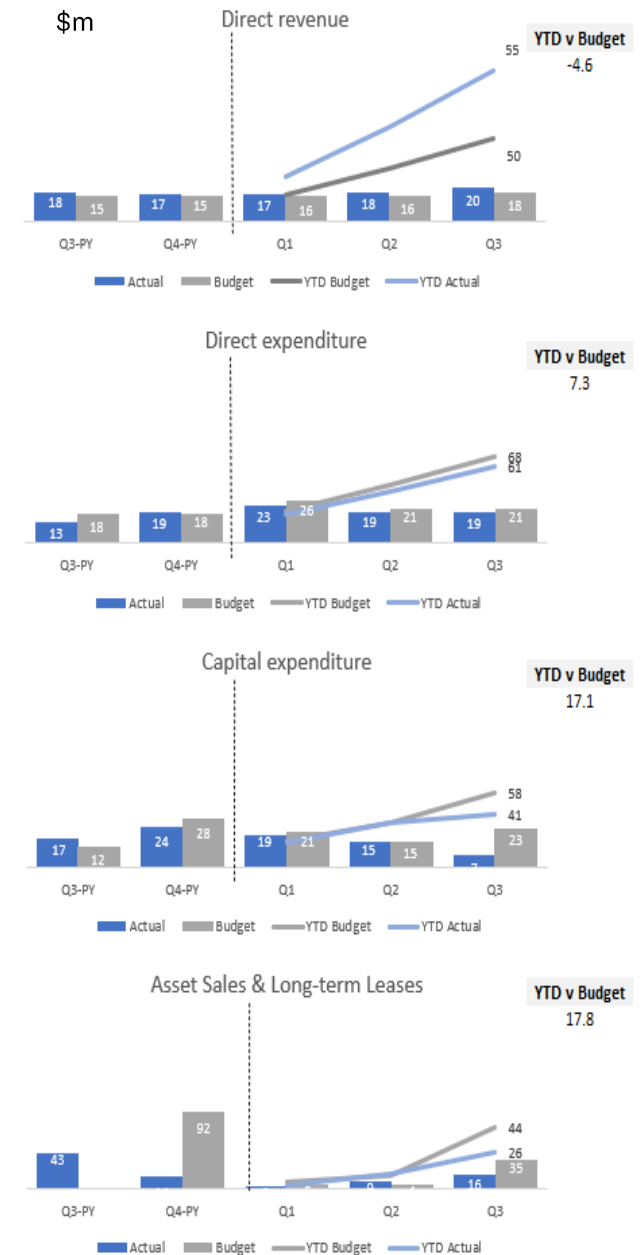
Eke Panuku has had a positive quarter and made good progress on a number of capital and development projects. These are detailed in the quarter 3 highlights and Urban Regeneration programme sections of this report.

To date we have met the annual net new dwellings and public realm square metres SOI performance targets. At the end of quarter 3, we have achieved **\$26.3m** of asset sales, maintained high occupancy rates across the residential and commercial properties and delivered a net operating surplus of \$18.5m, \$7.4m ahead of year-to-date budget.

## Financial Performance

Revenue has continued to track ahead of budget, due to a number of properties being held for longer than anticipated and positive lease reviews. This budget variance is expected to be sustained to year end. Expenditure has continued to track behind phased budget. Rates and people cost of around \$3m make up most of the variance which will remain at year end. Other expenditure is expected to trend back to annual budget level by year end. Capital expenditure this quarter has been impacted by two projects. One relates to a longer process to achieve an affordable construction contract for a new wastewater pump station in Hobsonville and the second relates to rescheduling the purchase of a site until it is needed and saving on cost. We will be requesting a budget deferral of \$18.8m for these projects. There are a number of conditional sales agreements that are currently in place that will go unconditional prior to year-end and annual total asset sales will be around \$150m.

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



## Highlights

- The development agreement for a residential development site in **Hobsonville** for around 58 new homes has become unconditional.
- A conditional development agreement was reached for a mixed-use development site at **535 Ellerslie Panmure Highway** in Panmure. This proposed development will be predominantly commercial space with a gross floor area (GFA) of approximately 3,000m<sup>2</sup>.
- Northcote's **Jessie Tonar Scout Reserve** upgrade was completed in March 2024 with a blessing to mark the opening of the space to the public. The reserve upgrade has transformed what was scrubby grass and overrun bush into an attractive and interesting green space for the rapidly growing Northcote community to use and enjoy.
- The resource consent and design for staged delivery of the **Westhaven seawall** are now complete, and construction started in March 2024. This project will increase resilience to sea level rise and reduce flooding impacts.
- The double traffic light upgrade at East, King, Manukau and Massey roads is progressing well and construction started in March 2024. This is a joint project with Auckland Transport leading its delivery. The project creates an accessible route to Roulston Park and safety improvements to the intersections.
- The popular Wynyard Quarter basketball courts have been resurfaced as part of the **Te Ara Tukutuku project** to open up spaces to the public and regenerate Wynyard Quarter.
- **Placemaking events** - the Waterfront has been a hub of activity over the quarter including a Valentines dog adoption day held in collaboration with Auckland Council Animal Services, a family friendly summer jam basketball event and the Moana Festival Manu competition.

## Issues/Risks

- Delivery of development outcomes is affected by the slow property market. This affects the delivery of SOI asset sale targets and regeneration outcomes including new dwelling units. It is taking longer to attract partners with capacity to meet Eke Panuku outcomes. We continue to monitor arrangements with existing development partners and carry out due diligence as part of development partner selection process. Where appropriate, we extend settlement and terms to reflect slower market conditions for the developer to achieve presales, funding and resource consent.
- **Wynyard Crossing Bridge** : Following a series of recent technical faults, the Wynyard Crossing Bridge has begun a programme of extensive maintenance work so it can return to reliable operations as soon as possible and address potential safety risks. The works are expected to be completed in time for next summer (late 2024). The planned preventative maintenance programme includes a full overhaul of old parts, scaffolding the bridge in order to sandblast it and apply anti-rust coating, as well as thorough trials and assessments to pre-empt and prevent future technical faults. While the works are carried out, as a legal obligation under the bridge's resource consent, it will need to remain upright to allow free access to marine traffic. In order to

mitigate the effect on local businesses, Eke Panuku has deployed an extensive media campaign to encourage pedestrians to use the alternative access options (walking detour or frequent City Link bus). We are also partnering with effected businesses and events to provide solutions that will encourage continued patronage for them throughout this time.

## Key Performance Measures

Of the 12 SOI performance measures, 9 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 will not be measured this year (commerical GFA).

We have exceeded the public realm sqm performance measure achieving 8,551 sqm against a target of 7,000 sqm. Transform and Unlock location sales are at risk as only \$0.6m has been achieved to date against a target of \$40m. This is due to a slow property market that has affected key sales such as the unconditional sale of a development project in Takapuna. This Takapuna development and the North Wharf development site at the Waterfront, currently going through the market process, are now rescheduled to reach unconditional stage in FY25.

Strategic performance priorities	On track/ met	Not on track/ Not met	Not reported this quarter	Total
Urban regeneration	4	1	1	6
Property and marina management	2		1	3
Sector leadership	2		1	3
<b>TOTAL</b>	<b>8</b>	<b>1</b>	<b>3</b>	<b>12</b>

*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

- **Public realm guidelines:** Environmental guidelines for public realm projects adopted in FY22 are being implemented. These guidelines consider the themes of urban ngahere and biodiversity, water sensitive urban design, waste, heat resilience, transport and carbon and reflect Eke Panuku and Council group priorities. Eke Panuku has progressed mapping urban ngahere coverage across our neighbourhoods and is working with Healthy Waters and Watercare to develop and agree an approach to undertaking catchment-based planning.
- **Planning for deconstruction projects.** We have conducted salvage surveys of buildings to be removed in Northcote. A deconstruction partner has been selected and is preparing to commence the first stage of deconstruction. A deconstruction approach ensures materials of value are identified and can be salvaged for reuse.
- **Zero Waste Northcote programme** continues to grow impact. Data from the first quarter of the trial recorded over 1 tonne of food scraps having been diverted, working with just five food businesses. Frequency of pickups and bin sizes have increased demonstrating the growing impact of the programme.
- **Te Ara Awataha** restoration days continue monthly as part of growing local involvement in looking after the greenway. This includes stream monitoring, pest identification and removal. The February event provided training on how to identify pest plants and methods of removal and disposal (chemical free). The March event involved stream regeneration, water testing and rubbish clean-up. 560 kg of weeds were removed, and 1.5 bags of litter collected.
- **Te Whakaoranga o te Puhinui** (Puhinui Regeneration Programme) continues to support local involvement in looking after the Puhinui Awa. This includes stream monitoring, pest identification and removal, restoration works and supporting environmental education. Planning is underway for a trial community orchard in Puhinui Domain as part of a broader food sovereignty initiative. The Seed-to-seed initiative and waananga is building capacity and processes to locally eco-source, grow, plant and maintain native plants.

## Māori outcomes

- **Commercial opportunities** – Eke Panuku presented the Pukekohe Edinburgh super block development opportunity in Q3, with a weighting for Māori outcomes in the evaluation criteria. The Expression of Interest deadline for this opportunity closed on 28 March 2024.
- Eke Panuku presented five exclusive **property opportunities** to mana whenua in Q3. Site sales without specific development requirements are offered to mana whenua first before going to the open market. No offers were made on these opportunities.
- **Engagement** – Eke Panuku met again with iwi in the kaitiaki forum to discuss the Terms of Reference for the Eke Panuku Mana Whenua Kaitiaki Forum. A Finalised document will be confirmed in Q4.

- Eke Panuku met with mana whenua to discuss the **public realm upgrade for the Onehunga Wharf**. Iwi have provided feedback regarding regenerative aspects of the project. Through the stream of engagement, Eke Panuku have heard that we have responded well to some of their feedback but there is still work to do to support the mauri of the Manukau Harbour.
- Eke Panuku met with mana whenua to discuss the **Panmure station precinct** to discuss options for development. We met with the forum and directly one to one with the Ngāti Paoa Iwi Trust to discuss aspirations of the site.
- **Culture and identity** – Eke Panuku have met with mana whenua to discuss the upgrade of the **Northcote Community Hub and library**. The design team have been working closely with a small working group to align the project with take mauri take hono – te ara awataha to support the delivery of aho (principle) outcomes outlined in the document.
- The **Jesse Tonar Scout Reserve** – a dawn blessing was held to celebrate the opening. Artist Jeanine Williams and Mana whenua representatives attended and supported the blessing.

# Statement of performance expectations

## Urban Regeneration

### Other Highlights

- The **Port Precinct Framework plan** was completed in December 2023. A presentation to a Governing Body workshop is planned for late April 2024 and then a paper will be presented in May 2024 to inform a decision.
- The **Edinburgh Superblock** mixed-use development site in central Pukekohe has been put on the market. Development proposals from the shortlisted parties will be requested at the end of April 2024.
- The **Waiapu Precinct** residential, commercial and public space project in Onehunga is progressing well with a successful consultation campaign completed and the final design underway.

### Issues and Risks

- A slow property market has affected the sale of several development sites and buildings. This includes the Lysaght building at the waterfront, 65 Haddington Drive Ormiston, 9 Hall Street Pukekohe, 9 and 10 Putney Way and 33 Manukau Station Road in Manukau. The negotiations on the Own Your Own Home portfolio have not concluded successfully with the preferred development partner.
- The Avondale Central development is delayed while we work through Master Plan issues with the development partner.

*More details on issues and risks are contained in the programmes section below.*

## Programmes

Key Programme	Status	Progress towards key project deliverables set out in the SOI (pages 20-27)
Northcote	On track	<p>3 of the remaining project deliverables are on track and 1 is at risk.</p> <p>The Jesse Tonar Scout reserve upgrade has been completed and the new space is now being enjoyed by the community.</p> <p>The Northcote community hub concept design is on track for approval by the Kaipātiki Local Board in May 2024. The process to select a development partner from shortlisted parties for Northcote central, the town centre mixed-use development site at Northcote Central, is underway. Development proposals are due in June 2024. The town centre streets project deliverable remains at risk due to delays caused by redesign work needed to address the street design level and the connection to existing roads. A revised concept plan is expected in April 2024. This does not impact the wider programme.</p>
Takapuna	At risk	<p>1 project deliverable has been achieved, with the completion of the Waiwharariki Anzac Square. 2 deliverables are at risk and 1 will not be achieved and has been deferred to next year.</p> <p>The Northcroft Street works are expected to start in April 2024, but are at risk of not completing on time. This is a smaller project with minor impact on the overall programme.</p> <p>The Takapuna build-to-rent project has been pushed out by 12 months due to a weakened property market. This is a significant project for Takapuna and may take a few years before works start.</p>
City Centre	On track	<p>All 6 project deliverables are on track. The City Centre Action Plan priorities have been reflected in the LTP consultation materials, as well as in the refresh of the city centre targeted rate portfolio.</p> <p>The Karanga-a-Hape station neighbourhood and bus improvements programme is still on track to deliver on key CRL opening milestones. The Midtown programme is on track to deliver to key CRL opening milestones, despite delay to the completion of some streetscapes work due to alignment issues with the Watercare programme. The Place Management programme is on track.</p> <p>The Port Precinct framework plan was completed in December 2023.</p>
Waterfront	On track	<p>2 project deliverables have been met, 3 are on track and 2 are at risk. The resource consent and design for staged delivery of the <b>Westhaven seawall</b> are now complete, and construction started in March 2024. As part of the development agreement we continue to work with Precinct Properties on site remediation for the ongoing development in Wynyard Central including three 5-Greenstar rated buildings (Stage 3 development). Contamination remediation works are on track to be completed by June 2024 with overall project construction expected to be completed in March 2025. A development agreement to achieve a long-term lease is being progressed with the preferred development partner for the <b>North Wharf</b> mixed-use site. However, unconditional stage will now be achieved in FY25. The <b>Te Ara Tukutuku (Wynyard Point)</b> vision for the five hectares of open space, laneways, stormwater, utilities, landscaping, lighting and seawall raising is progressing with a final concept design expected in late April 2024.</p> <p>The long-term lease of the <b>Lysaght building</b> will not be achieved this year due to a slow market. The site will be taken back to the market next financial year. Completion of the <b>Water edge response works</b> is at risk. Works began in April 2023 and are now over 80% complete. The remaining work relating to the jumping platform at Karanga steps will not be completed by end of this financial year.</p>
Avondale	At risk	<p>1 project deliverable has been met, 1 delayed and 1 is at risk. The developed design for the Te Hono – Avondale community hub and town square was completed in December 2023 and resource consent was lodged shortly after. The Avondale Central development is delayed whilst we work through Master Plan issues with the development partner. As the key project this puts the programme delivery milestones at risk. A property acquisition has been rescheduled to next year when it is required and to avoid incurring early costs.</p>

Key Programme	Status	Progress towards key project deliverables set out in the SOI (pages 20-27)
Henderson	At risk	1 project deliverable is on track and 2 are at risk. The Catherine Plaza public realm works remain on track with consent expected to be lodged before the end of FY24. The new bridge element of the <b>Opanuku Link</b> project to improve connectivity between Corban Estate and the Henderson train station is under review to assess costs and benefits. The Henderson Valley Road crossing will commence in May 2024. The business case and design for the <b>Wai Horotiu Henderson</b> (Oratia link cycleway and bridge connection) is progressing and developed design is expected to be completed in Q4 with the business case approval to follow.
Onehunga	On track	2 of the project deliverables are at risk and 2 are on track. The 2 deliverables at risk are due to open negotiations with the development partner for the Waiapu Precinct and slowed negotiations for the Onehunga Mall site acquisitions.  The Waiapu Precinct residential, commercial and public space project is progressing with a successful consultation campaign taking place over February/March. The final design is currently being worked on. The remaining deliverable for Paynes Lane streetscape enhancement remains on track. Certificate of Compliance for the works was lodged with Auckland Council in late December 2023. A resource consent will now be required and will be lodged shortly to enable this project to progress and to achieve the SOI target.
Panmure	On track	One project deliverable has been achieved, a conditional development agreement for the mixed-use development site at 535 Ellerslie Panmure Highway. One project deliverable is on track - The resource consent for the Lagoon Edge Reserve enhancement project was lodged in March 2024 and detailed design is underway.
Maungawhau	On track	Engagement with CRLI has been positive and collaborative over the last quarter. CRLI is sharing due diligence information, and we are meeting to discuss steps to progress the subdivision process. Legal advice on the mechanisms to manage the development process is underway. Once the due diligence and subdivision information is obtained then we can proceed with seeking formal interest from the Whenua Haumi and Kainga Ora for 5 of the 11 development sites.
Manukau	On track	4 of the project deliverables are on track, and 2 are at risk. Streetscape works in Osterley Way are on track for consent lodgment in June 2024. Scope and design changes are being worked through with Auckland Transport for the Cavendish Drive and Sharkey Street AUT Link following initial costings for the route. The link is part of Manukau's walking and cycling network works. The resource consent application for the Hayman Park wetlands is expected to be lodged late April 2024.  The deliverable to progress sales at 9 Osterley Way, 10 Putney Way and 33 Manukau Station Road is at risk and delayed due to feasibility and current market conditions.  The subdivision, consenting and release of land from Auckland Transport of 14 Davies Avenue for a residential and commercial development is at risk due to the legal matters still being worked through. However, progress has been made with Auckland Transport who have recommended the asset transfer to Eke Panuku. This is required to enable the development of the site.
Papatoetoe	On track	All 3 deliverable targets are on track. The resource consent application for the Cambridge Terrace Extension and carpark is being processed by Auckland Council. Detailed design for this project is underway.  Developed Design is nearing completion for the Stadium Reserve Capital Works and Chambers laneway upgrades and lodgment of resource consent is targeted for June 2024. Works are also progressing on the 120 new homes at the <b>St George Street residential development known as Piko Toi Toi</b> , with civil works expected to be completed by the end of April 2024.



Key Programme	Status	Progress towards key project deliverables set out in the SOI (pages 20-27)
Pukekohe	On track	<p>3 deliverable targets are on track, and 2 are at risk. The <b>Edinburgh Superblock</b> central mixed-use development site is progressing. The marketing campaign closed on 28 March and development proposals from the shortlisted parties will be requested at the end of April 2024. A development site on <b>174-184 Manukau Road</b> was taken to the open market in February 2024 and tenders ended March 2024.</p> <p>The <b>double traffic light upgrade at East, King, Manukau and Massey roads</b> is progressing well and works started on site in March 2024. This project co-funded with Auckland Transport will increase safety and access in the town centre including to Roulston Park. The resource consent application for the <b>Roulston Park upgrade</b> was lodged and accepted for processing by Auckland Council and detailed design is currently underway.</p> <p>The site sale of 9 Hall Street, Pukekohe is at risk due to a lack of market interest in the site. The <b>Market Precinct</b> Concept Plan was endorsed by the Franklin Local Board in November 2023.</p>
Regional programmes	On track	<p>2 of the deliverables are on track and 1 is at risk.</p> <p>Negotiations have not concluded successfully with the Own Your Own Home portfolio preferred development partner; an alternative disposal strategy will be progressed.</p> <p>A preferred development partner for the mixed-use site at 198 Dominion Rd, Mt Eden has been secured.</p> <p>65 Haddington Drive, Ormiston - The essential outcomes have been revised with a view to taking the site to the market by early FY25, therefore a development partner will not be achieved this year.</p>

*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 and Marinas have made good progress year to date with net operating surplus of \$28.5m, which is \$7.5m ahead of budget.
- The tender process for renewal of two Westhaven marina piers comprising of 140 berths was completed and the project awarded for delivery in FY25. A communication plan has been implemented to manage the relocation of the vessels impacted.
- Westhaven marina has faced escalated charges and service fees that have required us to communicate a 6.5% out-of-sequence berth rental rate increase. The rental increase appears widely accepted with minimal negative feedback received.

### Issues and Risks

*The Wynyard Crossing Bridge issue is covered on page 2.*

Key Programme	Status	Progress towards key deliverables
Renewals	On track	<p>1 deliverable is completed, 2 deliverables are on track and 1 is at risk. Renewal works on the Bascule bridge in the Waterfront were completed early April 2024. The Westhaven Marina fire alarm system upgrades are expected to be completed by the end of the year.</p> <p>Renewals at 21 Princes Street, Auckland City are delayed due to project requirements that still need to be defined.</p> <p>A high-level cost estimate and scope of works has now been completed for the Manukau Harbour / Wairopa Channel works, which is under review. Commencement of works has been delayed due to issues receiving detailed information to inform the scope of works.</p>

## Performance measures

Performance measure	Previous year result	Target	Q3 Actual	Status	Commentary
<b>Urban regeneration programmes and projects</b>					
Net new dwellings (housing units) – LTP performance measure	364	60	79	On track	Target exceeded. 12 dwellings in Kōtuitui Place Manukau, and 67 homes in a range of locations as part of the Supports Programme (83B Godley Rd, Flat Bush School Road Ormiston and Seafarer Cres Whangaparaoa).
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	8,551 sqm	On track	Target exceeded. This includes recent completion of works in the Waterfront’s Pile Berth development project and reopening of the upgraded Jessie Tonar Scout Reserve in Northcote.
Capital project milestones approved by the board achieved – LTP performance measure	67%	80%	47%	On track	Of the 15 project milestones set, we have completed 7 (47%), 6 are on track and 2 are at risk. To meet the 80% met target requires 12 milestones to be achieved.
Achieve board approved budgeted Transform and Unlock (T&U) sales for the financial year through unconditional agreements	\$13.7m	\$40m	\$0.6m	At Risk	We took several small site sales to market in March 2024. Due to the softening property market, unconditional sales in a Takapuna development site and North Wharf development site at the Waterfront will be deferred to FY25.

Performance measure	Previous year result	Target	Q3 Actual	Status	Commentary
The asset recycling target agreed with Auckland Council	\$86.4m	\$115m	\$25.7m	On track	\$25.7m unconditional sales have been achieved to date against the \$115m target. We expect to meet target with the anticipated unconditional sale of the Downtown Car park site and other properties where we currently have conditional agreements in place.
Property portfolio and marina management					
Annual property portfolio net operating budget result agreed with the council achieved – LTP performance measure	\$25.4m	\$17.3m	\$18.5m	On track	Target exceeded. The net operating surplus for the property portfolio at the end of March is \$18.5m, this is \$7.4m ahead of budget.
Monthly average occupancy rate for tenantable properties - LTP performance measure	Commercial 94.0% Residential 97.1%	Commercial 90% Residential 95%	Commercial 96.5% Residential 97.1%	On track	Occupancy rates remain stable with improvement for Commercial and slight increase for Residential in March 2024.
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. The survey is being undertaken in April.
<b>Sector leadership</b>					
<b>Creating positive outcomes for Māori</b> 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 Komitanga Place Pilot and Waiwharariki Community Event.
<b>Enhancing the relationship between Eke Panuku and mana whenua</b> 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%	74%	On track	We received 31 complaints YTD. 23 complaints met target, and six did not, and two is unresolved.

## Financials – Eke Panuku Cash Flows

	YTD Actual	YTD Budget	YTD Variance	Full year budget	
<b>Capital Inflows</b>					
Selling Council's surplus property	25.7	4.2	21.5	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	39.8	(39.2)	40.0	This target will not be met. Change in market conditions has meant that some conditional agreements currently in place will not go unconditional until next year.
Third party capital contributions	0.1	3.8	(3.7)	3.8	No revenue received to date as the capital project that it relates to has required a re-tender to get a contractor. Construction is still expected to start this financial year, but revenue is only expected to be \$0.5m this year with the remainder in FY25.
<b>Capital Outflows</b>					
Investing in council group assets to support regeneration and asset renewals	41.2	58.3	(17.1)	76.7	\$6.5m of spend on a new wastewater pump station in Hobsonville has been deferred until next year as project had to be taken to tender twice to get an affordable construction contract. \$12.3m purchase of property has had been delayed until later in the calendar year. Forecast capital circa \$58m.
<b>Operational Inflows</b>					
Revenue from property interests for Council group	58.0	53.4	4.6	68.7	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.
<b>Operational Outflows</b>					
Managing council group properties	13.7	15.8	2.1	21.4	Savings in year due to staff vacancies.
Utilities and leases for council group owned assets we manage	6.6	6.5	(0.1)	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	7.8	10.1	2.3	13.0	This is a timing difference and should corrected by year end.

Consultation, negotiation, and sales processes to sell council property	2.2	2.2	-	3.5	
Leading regeneration of town centres, city centre and waterfront.	13.3	16.1	2.8	22.5	Savings in year due to staff vacancies and timing of external spend on consultants, communications, and engagement.

## 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 \$4.6m less than budgeted.

A: Net direct expenditure is better than budget by \$4.6m. This is predominantly due to underspends in Employee benefits and other direct expenditure.

B: Employee benefits are favourable to budget by \$2.2m, there are 16 vacant positions. Not all staff received the budgeted pay increase and there is a timing difference in training and in annual leave expense. There will be an in year saving in this cost area.

C: Other direct expenditure is \$2.2m favourable to budget as there are timing differences to phased budget in consultant costs and communication costs. There is potential for an in year saving in this cost area.

Direct operating performance					
\$ million	Notes	FY 24 Quarter 3 YTD			FY 24 Annual Plan
		Actual	Annual Plan	Variance	
<b>Net direct revenue</b>	<b>A</b>	<b>(13.4)</b>	<b>(18.0)</b>	<b>4.6</b>	<b>24.2</b>
<b>Direct revenue</b>		<b>13.4</b>	<b>13.2</b>	<b>0.2</b>	<b>17.6</b>
Fees and user charges		0	0	0.0	0
Operating grants and subsidies					
Other direct revenue		13.4	13.2	0.2	17.6
<b>Direct expenditure</b>		<b>26.7</b>	<b>31.2</b>	<b>4.5</b>	<b>41.8</b>
Employee benefits	<b>B</b>	23.0	25.2	2.2	33.3
Grants, contributions and sponsorship		0.0	0.1	0.1	0.1
Other direct expenditure	<b>C</b>	3.8	5.9	2.2	8.4
<b>Other key operating lines</b>					
Operating grants and subsidies intercompany		13.7	18.3	(4.6)	24.5
Depreciation and amortisation		0.3	0.2	(0.0)	0.3

## Managed activities for Auckland Council

The financial data in this table represents the Auckland Council portfolio managed by Eke Panuku. These numbers exclude the net direct revenue that Eke Panuku has generated for properties managed for Auckland Transport \$1.8m which is \$2.1m favourable to budget. In addition, a \$6.0m, 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 \$4.5m 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 \$1.4m unbudgeted revenue to date. There was a one-off back payment for a rental increase on three tenancies for \$0.9m. The recovery of opex from tenants is \$1.5m ahead of budget due to a catch up of under recovery in FY23 and rates recovery now more aligned with actual rates costs. There are additional small increases in car parking revenue, Marina 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 \$2.8m favourable to budget. There are savings in rates and a credit for historical gas charges and a number of timing issues. Regeneration spend is tracking \$1.5m behind phased budget and Marinas \$0.8m and business interests is behind; these should correct by year end.

Direct operating performance					
\$ million	Notes	FY 24 Quarter 3 YTD			FY 24 Annual Plan
		Actual	Annual Plan	Variance	
<b>Net direct revenue</b>		<b>7.1</b>	<b>(0.2)</b>	<b>7.3</b>	<b>1.1</b>
<b>Direct revenue</b>	<b>A</b>	<b>41.4</b>	<b>36.9</b>	<b>4.5</b>	<b>45.3</b>
Fees and user charges		1.6	1.4	0.2	1.9
Operating grants and subsidies		0	0	0	0
Other direct revenue		39.8	35.5	4.3	43.4
		0	0	0	0
<b>Direct expenditure</b>	<b>B</b>	<b>34.3</b>	<b>37.1</b>	<b>2.8</b>	<b>44.2</b>
Employee benefits		0.1	0.1	(0.0)	0
Grants, contributions and sponsorship		0.0	0.0	0.0	0
Other direct expenditure		34.2	37.0	2.8	44.2
<b>Other key operating lines</b>					
Depreciation and amortisation		17.3	17.2	(0.1)	23.0
Finance Revenue		0	0	0	(0.1)

## Financial breakdown by key activities

### Operating expenditure

#### Urban regeneration

	Notes	Previous year Actual	Actual	2023/24 YTD Budget	Variance	Full year Budget
Transform and Unlock Locations						
<b>Net direct expenditure</b>		<b>12.3</b>	7.2	8.8	1.6	<b>11.8</b>

### Capital expenditure

	Notes		2023/24 YTD			Full year
			Actual	Budget	Variance	Budget
<b>Property renewals</b>		10.0	2.9	4.3	1.4	8.0
<b>Transform and Unlock Locations</b>						
<i>Isthmus</i>		3.7	2.2	2.0	(0.3)	4.2
<i>North</i>		14.2	3.6	5.6	2.0	7.3
<i>South</i>		10.8	9.2	9.5	0.3	13.9
<i>West</i>		2.6	0.9	13.7	12.7	15.5
<i>Waterfront</i>		22.8	19.6	16.8	(2.8)	17.8
<b>Regional</b>		4.9	2.7	6.4	3.8	10.1
<b>Total</b>		<b>69.0</b>	<b>41.2</b>	<b>58.3</b>	<b>17.1</b>	<b>76.8</b>

## Asset sales and long-term leases

	Notes	2023/24 YTD			Full year
		Actual	Budget	Variance	Budget
General Asset sales for the group		25.7	4.2	21.5	115.0
Reinvestment - Transform and Unlock		0.6	19.8	(19.2)	20.0
<b>Total</b>		<b>26.3</b>	<b>24.0</b>	<b>2.3</b>	<b>135.0</b>
<b>Waterfront long leases</b>		<b>0</b>	<b>20.0</b>	<b>(20.0)</b>	<b>20.0</b>

## Property and marina management

	Notes	Previous year	2023/24 YTD			Full year
		Actual	Actual	Budget	Variance	Budget
<b>Auckland Council Properties</b>						
Direct revenue		34.9	28.4	24.8	3.7	33.0
Direct expenditure		12.8	11.8	13.5	1.7	16.3
<b>Net direct expenditure</b>		<b>22.1</b>	<b>16.7</b>	<b>11.3</b>	<b>5.4</b>	<b>16.7</b>
<b>Waterfront Public Space</b>						
Direct revenue		0.6	0.5	0.3	0.2	0.3
Direct expenditure		4.5	4.9	3.6	(1.3)	5.0
<b>Net direct expenditure</b>		<b>3.9</b>	<b>(4.4)</b>	<b>(3.4)</b>	<b>(1.1)</b>	<b>(4.7)</b>
<b>Marina Operations</b>						
Direct revenue		13.6	12.2	12.1	0.1	16.1
Direct expenditure		5.1	4.6	4.7	0.1	6.5
<b>Net direct expenditure</b>		<b>8.5</b>	<b>7.6</b>	<b>7.4</b>	<b>0.2</b>	<b>9.6</b>



	Notes	Previous year Actual	Actual	2023/24 YTD Budget	Variance	Full year Budget
<b>Marina Trusts</b>						
Direct revenue		5.7	5.4	5.2	0.2	6.8
Direct expenditure		5.5	4.5	5.2	0.7	6.9
<b>Net direct expenditure</b>		<b>0.2</b>	<b>0.9</b>	<b>0.0</b>	<b>0.9</b>	<b>(0.1)</b>
<b>Auckland Transport Properties</b>						
Direct revenue		8.0	5.2	4.8	0.4	6.4
Direct expenditure	1	3.0	3.4	5.1	1.6	5.8
<b>Net direct expenditure</b>		<b>5.0</b>	<b>1.8</b>	<b>(0.3)</b>	<b>2.1</b>	<b>0.6</b>
<b>Business Interests</b>						
<b>Direct revenue (includes share of JV Profit)</b>		8.1	6.5	6.5	(0.0)	<b>8.6</b>
<b>Direct expenditure</b>		0.6	0.5	0.6	0.1	<b>0.7</b>
<b>Net direct expenditure</b>		<b>7.5</b>	<b>6.0</b>	<b>5.9</b>	<b>0.1</b>	<b>7.9</b>

### 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 March 2024.

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		
<b>11. Old Papatoetoe</b>	<b>Q3</b>	<b>14. Eastern Busway TODs</b>	<b>Q3</b>
<b>12. Ormiston</b>	<b>Q3</b>	<b>15. Service Property Optimisation</b>	<b>Q3</b>
<b>13. Pukekohe</b>	<b>Q3</b>	16. Corporate Property	Q4
		17. Haumaru Scope	Q4
		18. Supports Scope	Q4
		19. Regional Renewals	Q4
		20. Waterfront Renewals	Q4

# OLD PAPATOETOE

**Vision:** Assisting New Zealanders into sustainable housing choices. A popular place to live, to shop, for people to meet and enjoy themselves, and to provide the services and facilities the community needs.

## Projects completed

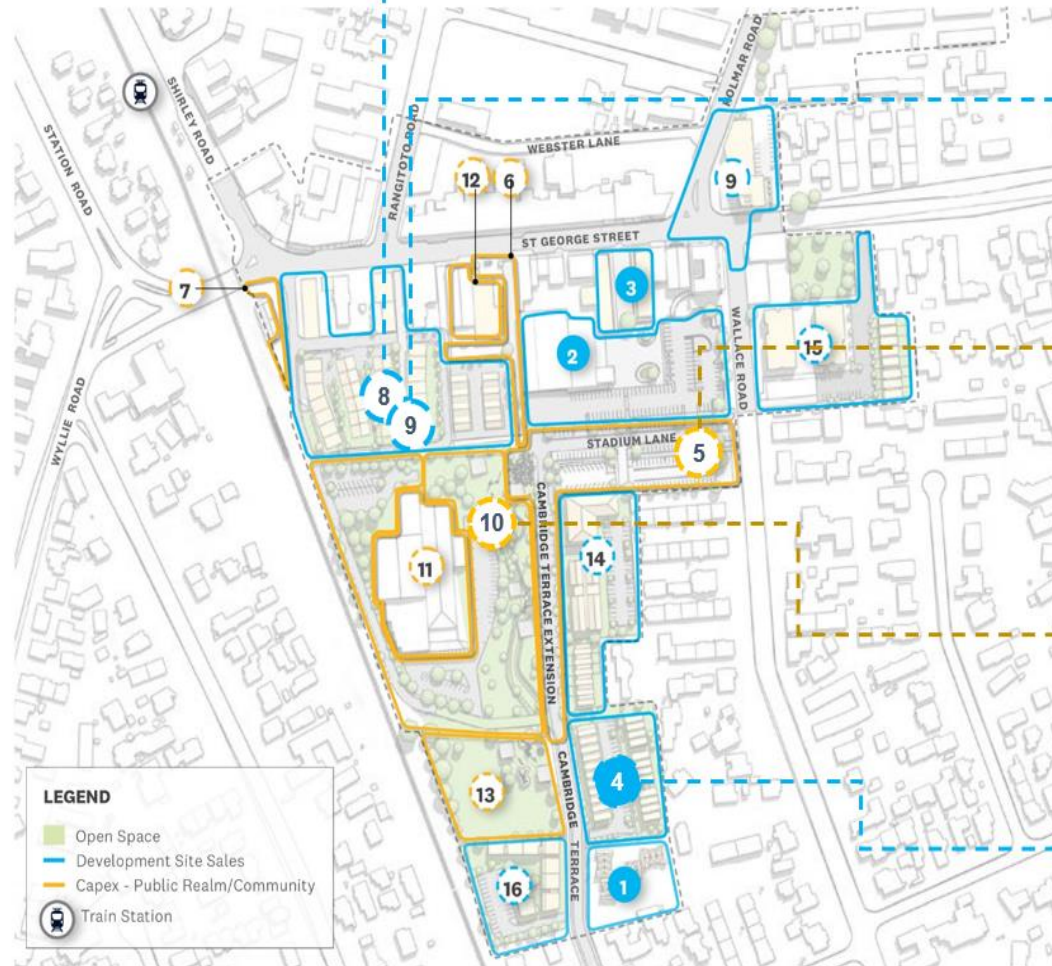
- 1 89 Cambridge Tce
- 2 Supermarket and carpark
- 3 Papatoetoe Mall
- 4 91 Cambridge Tce - The Depot

## FY25

- 5 Cambridge Terrace Extension+carpark
- 6 Chambers Laneway
- 7 St George's Lanes Integration Works
- 8 3 St George Street - St George's Lanes
- 9 98 St George Street and 15 Kolmar Road Site Sale + Intersection

## Long-term projects (FY26+)

- 10 Papatoetoe Stadium Reserve Works
- 11 Community Hub - Allan Brewster Leisure Centre
- 12 Town Hall & Chambers Works
- 13 86 Cambridge Terrace Optimisation
- 14 27 St George Street (netball and gardens)
- 15 Papatoetoe Library Precinct Optimisation
- 16 86 Cambridge Terrace Optimisation (site sale)



**3 St George Street (St George's Lane)** – Known as Piko Toetoe, this project will enable the development of 120 new homes on two sites on St George Street, near the town centre. Civil works are on track to be completed by end of April 2024.

**98 St George and 15 Kolmar Site sale** – The intersection redesign is currently being costed by a quantity surveyor and a low complexity business case targeted for May 24.

**Cambridge Terrace extension and carpark** – A project which includes upgraded streetscape, laneways and shared path / cycleway. The resource consent application is currently being processed by Auckland Council. Reserve revocation details is being progressed in parallel. Detailed design and Engineering Plan Approval are underway. The lodgement of resource consent for this project is one of our FY24 capital SOI milestone targets.

**The Stadium Reserve upgrade** project to create a new accessible playground and additional parks infrastructure to encourage visitation from a wide range of age groups. Developed design is nearing completion and resource consent is expected to be lodged before the end of the financial year.

**19 Cambridge Terrace (The Depot)** – Good progress is being made on the construction of 29 new homes on the 4,000 sqm ex-Papatoetoe Borough Council site. Construction works are expected to be completed by June 2024.

# ORMISTON

**Vision:** For the various sites to provide residential development and obtain best value for Council assets. Where possible, the sites should relate to the individual local board plans for each locality.

## Projects completed

- 1 Ormiston Town Centre (Blocks F and J)
- 2 Lot 1, 66 Flatbush School Road

## FY24

- 3 Bellingham Road works (Auckland Transport)



Blocks M, G & D, residential Site Sale - Parties are working to resolve a commercially viable scheme that meets with best practice for an urban development.

Blocks F and J Town Centre Site Sale - Eke Panuku is awaiting an agreement between Auckland Transport and Todd Property to transfer and vest the roads

# PUKEKOHE

**Vision:** Our heritage and connections are strong, the land is flourishing, Pukekohe is prosperous, and our families are happy, healthy and thriving.

## Projects completed

- 1 Small T projects (across entire programme)
- 2 Site Sales w/o Development Outcomes
- 3 82 Manukau Road

## FY24

- 4 Intersection Capital Works 1
- 5 Small T projects (across entire programme)
- 6 9 Hall Street
- 7 174, 176b, 182 Manukau Rd
- 8 176a, 180 Manukau Rd

## FY25

- 9 Roulston Park Upgrades
- 10 Intersection Capital Works 2
- 11 Edinburgh Street Superblock

## Long-term projects (FY26+)

- 12 Market Precinct: Devon Lane, Roulston Street, Market Hall (1 Roulston Street) and Town Square Enhancements
- 13 Parking Management Solutions (across entire programme)
- 14 Roulston Lane Upgrade
- 15 Civic Hub Enhancements
- 16 Train Station to Centre Connections
- 17 4 Tobin Street
- 18 7 Massey Avenue
- 19 24 Hall Street
- 20 22 Edinburgh Street
- 21 9 Tobin Street



**Roulston Park Upgrade** – a new all-age-friendly play opportunity in the park and pedestrian crossing on Stadium Drive. Detailed design is underway. We are awaiting on a decision from Auckland Council on the resource consent lodged in November 2023.

**Double traffic light upgrade at East, King, Manukau and Massey roads** – This project is co-funded with Auckland Transport and is a dependency for the Roulston Park upgrade. Works on the site began in March 2024.

**Market Precinct** – A flagship development which will attract and catalyse new life in and around the town square and add vibrancy to the centre. The Market Precinct Concept Plan was endorsed by the Franklin Local Board in November 2023. Design and consenting is underway.

**Edinburgh superblock** – A large central development site. The go to market campaign closed in late March 2024 and a reasonable level of interest was received. Development proposals from the shortlisted parties will be requested at the end of April 2024.

# EASTERN BUSWAY TODs PROGRAMME

**Vision:** To revitalise neighbourhoods within the Eastern Busway corridor and to create healthy, sustainable and vibrant communities.

There are three key strategic areas for TOD and regeneration within the Eastern Busway corridor:

**Strategic Opportunity 1:** Pakūranga

**Strategic Opportunity 2:** Tī Rākau Drive

**Strategic Opportunity 3:** Burswood

Eke Panuku is working with Auckland Transport and the Eastern Busway Alliance to align and integrate high-quality regenerative Transit-Oriented Developments with the Eastern Busway. Eke Panuku to leverage and divest for development Council-owned property within the Busway corridor, and land acquired for the Busway and associated transport infrastructure that becomes residual on its completion. Future development to be focussed on key strategic locations within walkable catchment of proposed bus stations at Pakūranga, along Tī Rākau Drive and Burswood. The busway is a major catalyst for sustainable urban growth and integrated development will enable more people to live and work close to transport options.

## FY 24 Site Sales

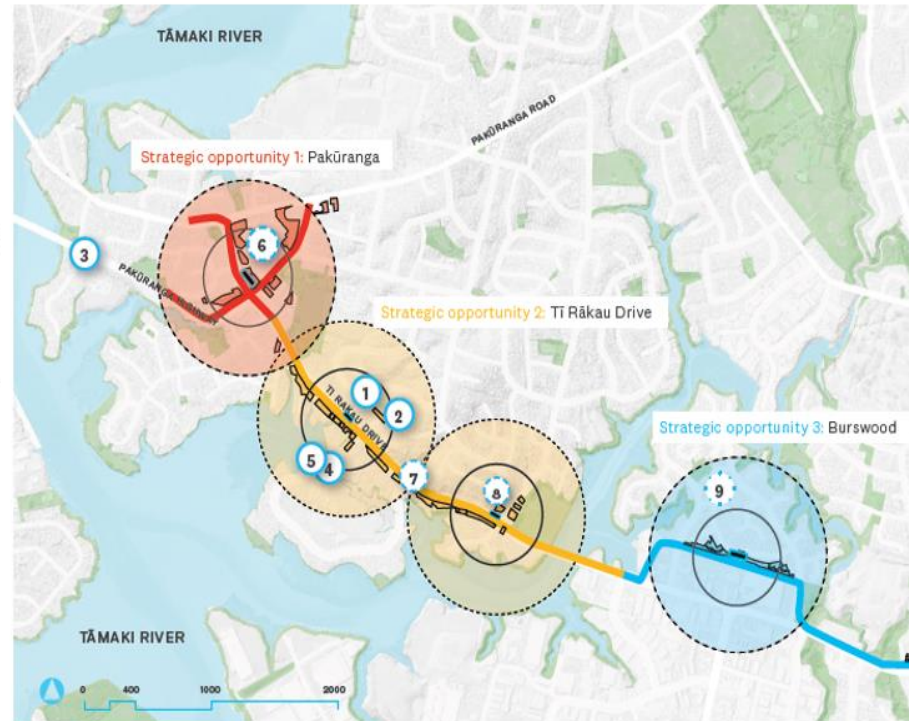
- 1 9 Marriott Road, Pakūranga
- 2 9 Chevis Place, Pakūranga
- 3 21 Millen Avenue, Pakūranga
- 4 1/1 Snell Place, Pakūranga
- 5 2/1 Snell Place, Pakūranga

## FY 26

- 6 Pakūranga Plaza
- 7 Tī Rākau Drive (Edgewater Drive)
- 8 Tī Rākau Drive (Gossamer Drive)

## FY 27+

- 9 Burswood Drive



6 Pakuranga Plaza – The reserve revocation process is underway.

1 2 9 Chevis Place & 9 Marriott Road, Pakuranga – A conditional agreement has been reached.

# SERVICE PROPERTY OPTIMISATION

**Vision:** Service Property Optimisation will facilitate, enhance and speed up housing and town centre development activities, to release latent property values, and to achieve improved community outcomes. Where service property is optimised, the sale proceeds are locally reinvested to advance eligible projects or activities on a cost-neutral basis.

## Projects completed

- 1 19 Jervois Road, Herne Bay

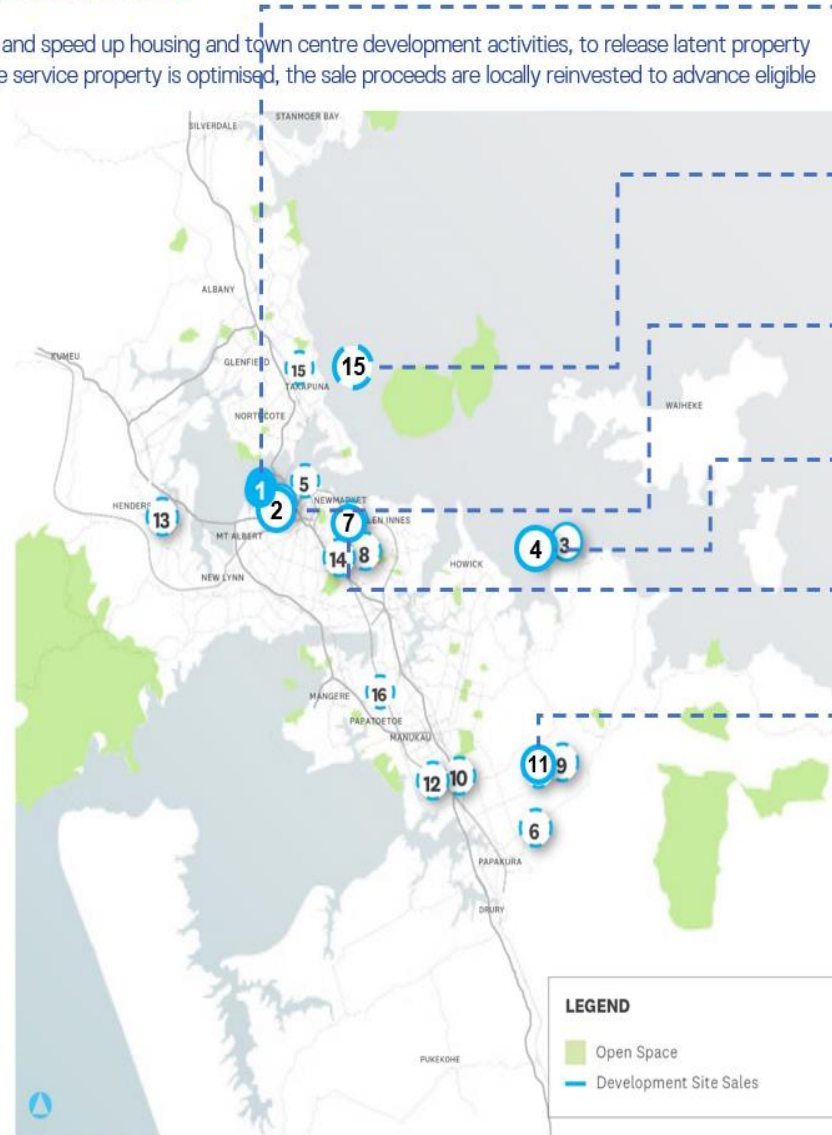
## FY24

- 2 2 Pompallier Terrace, Ponsonby
- 3 39R Pohutukawa Road, Beachlands
- 4 17W Hawke Crescent, Beachlands

## FY25+

- 5 Orakei Service Optimisation (confidential)
- 6 Red Hill, Papakura
- 7 6 Clonbern Road, Remuera
- 8 22 Tahapa Crescent, Meadowbank
- 9 587R Papakura, Clevedon Road, Ardmore
- 10 238R Great South Road, Manurewa
- 11 177 Burnside Road, Ardmore
- 12 Tadmor House, 1/190 Great South Road, Manurewa
- 13 39-41 Glenmall Place, Glen Eden
- 14 29-31 St Johns Road, Meadowbank
- 15 3 Gibbons Road, Takapuna
- 16 Papatoetoe Service Optimisation (confidential)

Service Property Optimisation - Eke Panuku, Community Services and local boards work together to identify and release value from underperforming service assets in order to fund local services while supporting urban regeneration. Projects must proceed on a cost neutral basis and any net proceeds are reinvested locally to advance approved projects.



**19 Jervois Road, Herne Bay** – The development partner has requested a variation to the sale and purchase agreement to enable concept redesign. We are working with the development partner to reach an agreement.

**3 Gibbons Avenue, Takapuna** -The Devonport / Takapuna local board requested Eke Panuku facilitate investigations into the feasibility of installing a third floor at the Takapuna library. The consultants' findings informed a local board workshop in December 2023. A decision will be sought from the local board in May 2024.

**2 Pompallier Terrace, Ponsonby** - Construction to commence in May 2024. The local board and public will be notified of the closure of the existing car parks.

**17W Hawke Crescent, and 39R Pohutukawa Road, Beachlands** – We are awaiting Franklin Local Board to identify an eligible use for the proceeds of sale before commencing the sales process for both properties.

**6 Clonbern Road, Remuera** Metlifecare and Foodstuffs continue to explore the potential of a development for the site that can encompass the 200 car parking spaces requirement.

**Ardmore Hall, 177 Burnside Road and Bell Field, 587R Papakura-Clevedon Road, Ardmore** – Work is underway on potential options for the sales strategy.

**8-10 Averill Street, Papakura** – At a workshop in December 2023 the Papakura Local Board supported using service property optimisation as a funding mechanism for the future provision of art services. This was reported to the Papakura Local Board's March 2024 business meeting, where the board resolved to defer the matter to enable further discussions on future service provision.