

## 7. HORNBY HOUSING PROJECT

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Corporate Plan Output: Housing	

The purpose of this report is to provide the Committee with an update in regard to the completion of the Hornby Housing Project.

### BACKGROUND

The genesis of the Hornby Housing Project was the decision in 1996, following a Council review of housing, to develop a 1.8-hectare block of land zoned as open space, as a "community housing village" which had high environmental values. Through a public consultative process led by eminent urban designer James Lundy of Common Ground, a concept was developed including the 22-unit block of EPH housing just completed. The balance of the concept included higher density housing, but with the retention of a high proportion of public open space and high amenity values. As a result of the consultation process and the concept design, the Council made application through the City Plan for a change of zoning to Living 2.

The design and supervision of this contract was undertaken by a joint venture between the Council's City Design and James Lundy's Common Ground.

### ASSET MANAGEMENT ISSUES

The Property Asset Manager reports:

"The Council accepted Fletcher Construction Ltd's tender to build the James Lundy designed 22-unit Stage 1 housing complex on the Main South Road, Hornby. This project is nearing completion, with a proposed completion date of 12 April 2001. The project will be completed within the Council's approved budget.

#### 1. Project Budget

Project Budget	\$2,936,282
Expenditure to date: as at 12 March	\$2,589,370
Estimate cost to complete:	\$265,088
Budget surplus to date:	<b>\$57,542</b>

#### 2. Programme

Approved contract completion date:	31 January 2001
Practical Completion proposed date:	12 April 2001

The Practical Completion Certificate will be issued when all the units have been completed to a satisfactory standard and can be occupied. There are still some outstanding items to be corrected. Those items not fixed at completion will be dealt with via a defects list during the maintenance period (three months).

#### 3. Issues

Council officers are in close communication with senior management at Fletchers with regard to a number of issues including quality of finish, requests for extension of time and changes of scope of the contract.

These matters are being dealt with as expeditiously as possible, with a view to practical completion/handover being expedited by the end of April."

## **TENANCY ISSUES**

The Council are holding a total of 42 applications for this complex, 15 of which have been withdrawn for various reasons, including not meeting the age criteria, and some have advised that the rental is too high for them. The remaining 27 applications are being considered and prioritised, but no offers can be made until the units are completed and handed over to Council and/or any purchasers have confirmed their intentions to proceed. Actual allocations are therefore unlikely to be able to proceed until early May. An official opening will be arranged once the units are occupied and the name of the complex is confirmed.

## **POTENTIAL SALES**

A list of 14 prospective purchasers was compiled over the course of this project and these people were invited to attend the recent open day. We are aware that a number took this opportunity, but are left with the general impression that purchase either in full or proportionally is not considered attractive. There is, however, the potential that one or two may pursue the proportional ownership further as, due to personal circumstances relative to rental criteria, it may be their only opportunity to gain occupancy. We have therefore followed up previous correspondence and the open day with a final letter providing these prospective purchasers until 28 April to register their firm interest in purchasing, otherwise we will need to consider utilising all units for rental purposes only.

## **BALANCE SITE DEVELOPMENT**

The RFP for development of the balance of the site is currently in the process of being drafted. We expect to be able to report in May the detail of this along with a marketing programme, as required by the December 2000 Council resolution.

### **Chairman's**

**Recommendation:** That the information be received.