

Community Housing Trust development bought by Man O' War



Waiheke Community Trust's Onetangi tenants now have to move out, just two months after the trust, MPs and neighbours officially welcomed them to the affordable housing development.

The Waiheke Community Housing Trust is reluctantly selling its affordable housing property in Onetangi to Man O' War Vineyards as the worsening global economy puts it in an untenable position.

Trust chairman Paul Carew says it's a devastating and graphic example of how the market fails to address the urgent issue of housing affordability. "The very issue we were trying to help with in the first place... It shows just how dire things are. This is the last thing we want to do, but it's the only way we can continue

our work in affordable rental housing."

Man O' War is buying the Waiheke Road property to house its permanent staff and on top of the sales price the vineyard also made a "sizable" donation to the trust. Paul says the 10 people who live there, in three separate dwellings, have been fantastic tenants and they deserve more stability than the trust was ultimately able to give them.

It's been less than a year since they moved in, and trust wouldn't ask them to move if it had seen any other choice,

Paul says.

"Unfortunately we're not immune to the unpredictable housing market. It's been one of the hardest things I've had to do. It's kept me awake at night."

Paul says the trust made it a condition of the sale that the tenants could continue to live on the property until they found somewhere to go. "We're trying extremely hard to find them somewhere else to live so they can stay on Waiheke where they've built their lives - and we do have some promising leads."

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The trust struggled for years to get the Onetangi development over the line, and celebrated the completion of its long-delayed affordable rental development with an official opening and welcome to its tenants just two-months ago. It was the trust's flagship project, with a four bedroom home for a family downstairs and two apartments set-up for elderly or disabled tenants upstairs, ever since the trust formed in 2016 to help stem an "exodus" of Waiheke in the face of rising house prices and a worsening shortage of long-term rentals.

The intention was to provide a stable home for vulnerable renters, with rents capped at less than 80 percent of the market rate. Trust members poured their own money, time, skills and sweat into the project to supplement fundraising from investors, the community and bank loans. While the project was originally budgeted at \$800,000, a gruelling process of consent and compliance issues, delays and a pandemic doubled the cost to just over \$1.6 million by the time the housing development was completed last November.

But even as the trust held an official celebration and welcome for the tenants two months ago, it was still struggling to come up with another \$12,000 to clear the bills after being unexpectedly hit with a development contribution charge by Auckland Council.

Despite that, Paul says the trust was in a good position with the Waiheke Road property in November when the first tenants were starting to move in.

The mortgage on the bank loans had a going rate of between three and five percent, and was "fairly static" closer to three percent. The interest rates the trust was getting on its investment funds was similar, and between that and the rental income everything was more than covered.

However, Paul says as the economy got worse, everyone is reconsidering their own situations and several investors



Waiheke Community Housing Trust chair Paul Carew says the trust felt it had little choice but to accept Man O' War's offer after a worsening economy put the Onetangi affordable housing project in a precarious financial position.

could no longer commit to renewing their participation in June next year. Without them, the trust wouldn't be able to keep up with the Onetangi property's finances.

The trust appealed for new investors, but couldn't find any and by the end of August things were looking grim. "The community well is tapped... and the banks are not interested in providing further loans."

Paul says they could have kept trying, but there was no indication a solution could be found before June - and strong signs the situation could get much worse.

So when Man O' War made an offer on the property, the trust members felt they had to take it. "We've been at great pains not to let our tenants down... [but] we've got a double duty to our tenants

and our investors, most of whom are just ordinary Waiheke people."

Paul says many of the investors are older islanders who put their retirement savings on the line because they wanted to help others find affordable housing. The trust feared if the project collapsed completely, those investors would lose their savings and the tenants would lose their home anyway.

The money from the sale, and Man O' War's donation will go towards a new housing project the trust is getting underway.

"[We're] awaiting council consent for small units to be moved onto bequeathed land - but these won't be ready in time, and aren't a good fit, for our current tenants." • Paul Mitchell





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