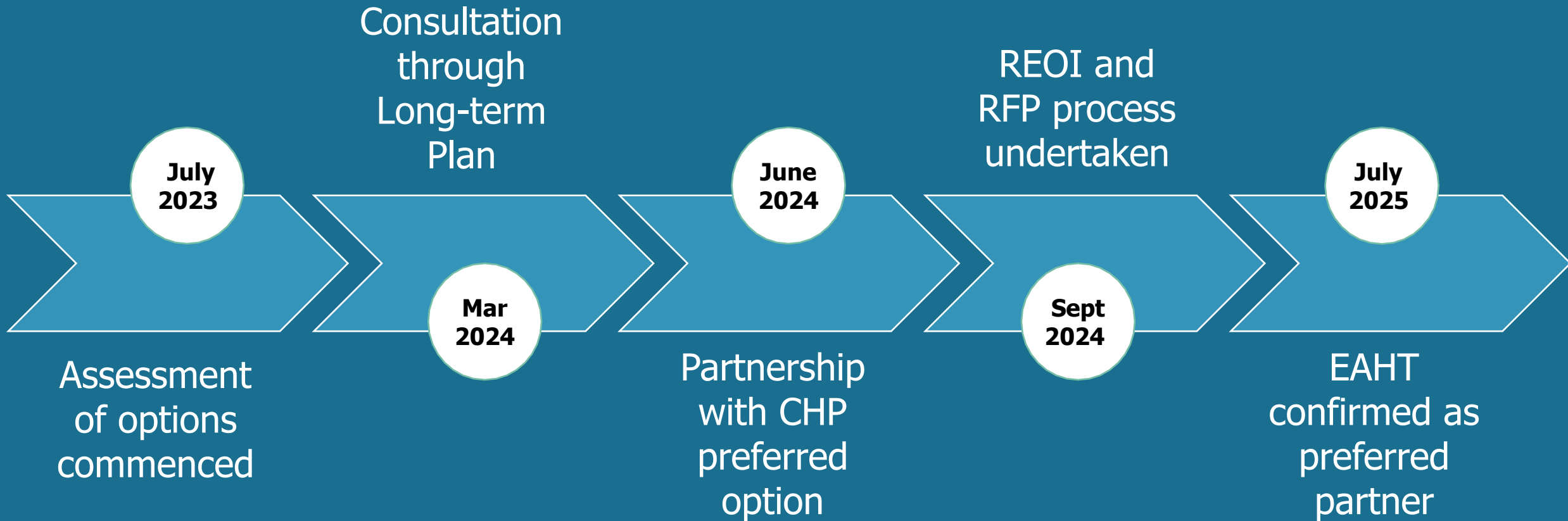


Redevelopment of Lucas Place Pensioner Housing & Rental Options

Council Meeting – 25 March 2026

Pensioner Housing Review –Key Milestones



Objectives of Pensioner Housing Review

Staff directed to investigate options to achieve the following objectives:

- Ensure ongoing housing security for existing tenants
- Provide greater support services for vulnerable tenants
- Ensure the portfolio is financially sustainable
- Create opportunities to grow the portfolio

EAHT management transition

EAHT assumed property and tenancy management on 1 March 2026.

Tenants reported a noticeable improvement in tenancy and property management



Faster response

Repairs and maintenance requests are being addressed more quickly.



More accessible support

Tenants value the availability of tenancy managers.



Hands-on transition

Managers supported rent changes, benefit assessments and Lucas Place relocations.

Rent implementation & financial impact

- Reduced rent is \$252 per week for eligible single tenants, unlocking the maximum \$80 accommodation supplement
- 82 tenants out of 86 occupied units qualify
- All eligible single-occupancy tenants will be on the lower rent by 3 October 2026
- Market rents of \$350 or \$360 continue in three couple-occupied units
- FY27 deficit is projected at \$177k, down from \$679k under the old rents
- The portfolio is expected to become financially sustainable in later years

Tenancy Tribunal applications

20 applications made to the tribunal regarding the rental increases:

- One application resolved with the tenant accepting the reduced rent.
- Two applications withdrawn prior to the hearing.
- Hearing for remaining applications held on 9 September.
- Three applications withdrawn at the hearing
- Hearing adjourned until 29 October 2026.
- Staff will engage with tenants in attempt to get a resolution prior.

Current unit status

- 86 of 152 units are occupied
- 28 vacant units are tenant-ready
- Refurbishment is needed for 38 vacant units; 13 face demolition under the Lucas PI redevelopment
- Condition assessments will define refurbishment needs
- Complex-by-complex recommendations to the Council to follow

Lucas Place redevelopment

Tenant relocation

17 tenants move in two tranches

- 7 tenants – 14-17 September
- 10 tenants – mid December

Resource consent

Consultant on board; staged consent and future design flexibility

Demolition

Exec to consider demolition plan in November; works start early 2027

Funding

Rotorua is not a government housing funding priority for FY27

Patai?