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HOUSING CONTINUUM



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HOW IT REALLY LOOKS



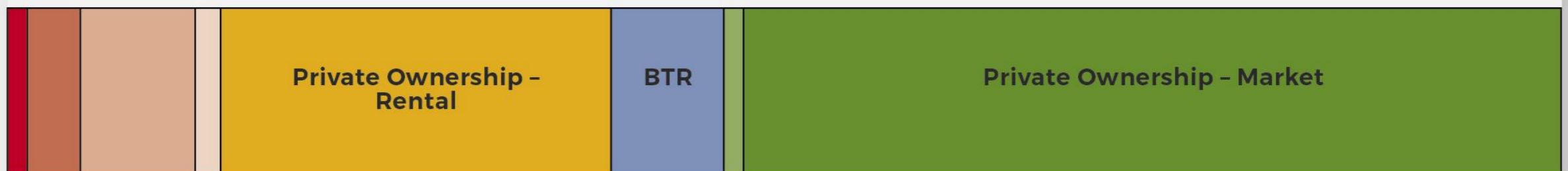
HOUSING CONTINUUM



HOW IT REALLY LOOKS



NEED NEW ENTRANT (BTR)



SOLUTION

Can't **financially structure** our way out of it. ✖

Can't **policy change** our way out of it. ✖

Can't **cross-subsidise** our way out of it. ✖

Can't **tax** our way out of it. ✖

SOLUTION

Can't **financially structure** our way out of it. ✗

Can't **policy change** our way out of it. ✗

Can't **cross-subsidise** our way out of it. ✗

Can't **tax** our way out of it. ✗

We have to **BUILD** our way out of it. ✓

WHERE TO BREAKTHROUGH

CATEGORY	% COST	\$ COST
Land	16%	\$64k
Construction	60%	\$240k
Finance, Legal & Sales	9%	\$36k
Design	5%	\$20k
Regulatory	7%	\$28k
Contingency	3%	\$12k
	100%	\$400k

COMPLETED PROJECTS



FINANCIAL COMPARISON

CATEGORY	OUR MODEL	TYPICAL SECTOR
Build rate on GFA	\$2,400/m2	\$3,400/m2
Design costs	3%	9%
Finance, Legal & Sales	3%	9%
Contingency	0%	3%
TOTAL COSTS (100 homes)	\$45m	\$65m
Rent Return Year 1	5.5%	3.8%

HOW?

- Think production, not construction.
- Continuous improvement.
- Simplicity.
- Same team.
- Don't tender.
- **100 year design life for \$2,400/m² ✓**

CONTINUOUS IMPROVEMENTS

CATEGORY	WAS (2017)	NOW (2021)
Drawings/Home	5.1	2.5
Design cost	\$16k/unit	\$8k/unit
Design meetings	12/project	1/project
Build programme	6.3 days/unit	2.6 days/unit
Construction Labour	\$25k/unit	\$17k/unit
Time to Start	2 Years	8 Months

CONSTRUCTION SIMULATION



Construction Simulation

340 Onehunga Mall | Onehunga



✗ \$3,400/M2 OR \$2,400/M2? ✓



✗ \$3,400/M2 OR \$2,400/M2? ✓



✗ \$3,400/M2 OR \$2,400/M2? ✓



THE SOLUTION IS:



THE SOLUTION IS:



CONSTRUCTION LED

THE SOLUTION IS:

AT SCALE



THE SOLUTION IS:

- **CONSTRUCTION LED**
- **AT SCALE**
- **DURABLE & HIGH QUALITY**

It's all achievable.