Tāmaki Regeneration Company

Statement of Performance Expectations
2026-2027

TĀMAKI REGENERATION

Contents

Statement of Responsibility

In accordance with the Public Finance Act 1989 and the Crown Entities Act 2004, this Statement of Performance Expectations (SPE) publicly states the activities and intentions of Tāmaki Redevelopment Company Limited (TRC) and its subsidiaries for the 2026-2027 financial year (FY27), and the objectives and outcomes that those activities will contribute to.

This SPE has had shareholder input, allowing our responsible Ministers and Auckland Council to participate in setting the direction for TRC for FY27, and includes performance measures and targets as the basis of organisational accountability.

The Board of TRC is responsible for the statements contained in this SPE and for the appropriateness of the assumptions, as well as the relevant disclosures made in them.

The Board has the responsibility for establishing and maintaining a system of internal controls, designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

Evan Davies

Board Chair

30 June 2026

Date

Madhavan Raman

Board Director

30 June 2026

Date

Purpose of the Statement of Performance Expectations

This document is Tāmaki Redevelopment Company's (TRC) Statement of Performance Expectations 2026-2027 (SPE) and should be read in conjunction with our Statement of Intent 2024-2028, which describes our organisation and medium-term strategic intentions in more detail, outlining how our operating environment is changing and how we plan to respond to those changes.

This SPE is our 12-month performance expectations document, setting out our expected financial performance during FY27, along with appropriate enabling projects, output measures, and associated targets within each of our functional areas. These measures are designed to drive organisational performance and are linked to our strategic objectives and the long-term outcomes that we contribute to.

In setting out these measures, our SPE provides a base against which our actual performance can be measured at year-end by our Shareholders and by Parliament. We will also provide quarterly reports[1] to our Shareholders, which will provide an overview of our performance over the previous three months against SPE measures.

Tāmaki Redevelopment Company Limited Group

The Tāmaki Redevelopment Company Limited Group comprises of the parent entity Tāmaki Redevelopment Company Limited and its two subsidiaries, Tāmaki Housing Association Limited Partnership and THA GP Limited. TRC Group's primary objective is the social and economic regeneration of the Tāmaki area.

- Tāmaki Redevelopment Company Limited is the parent entity. A limited liability company incorporated in New Zealand under the Companies Act 1993 and is a Schedule 4A company of the Public Finance Act 1989.
- Tāmaki Regeneration Limited is TRC's asset-owning subsidiary.
- Tāmaki Housing Association Limited Partnership is a registered community housing provider (Class 1 Social Landlord with the Community Housing Regulatory Authority) that is a wholly owned subsidiary of Tāmaki Redevelopment Company Limited.

TRC was established in 2012 as a Schedule 4A company under the Public Finance Act, to facilitate the regeneration of Tāmaki. TRC is 59 percent and 41 percent owned by Crown and Auckland Council, respectively.

[1] Note that the Annual Report 2026-27 will serve as the Quarter 4 Report for FY27.

Introduction

About Tāmaki Redevelopment Company Limited

TRC is a place-based organisation working in partnership with the community to deliver New Zealand's largest regeneration programme across the East Auckland suburbs of Glen Innes, Panmure and Point England.

Established in 2012 by the Government and Auckland Council, TRC is a Schedule 4A company under the Public Finance Act, created to lead and coordinate the long-term regeneration of Tāmaki.

Tāmaki presents a significant opportunity for regeneration, with substantial Crown and Auckland Council landholdings in a strategically located part of Auckland. This provides the foundation to renew ageing housing, increase housing supply, improve neighbourhood amenity, and deliver broader social, economic and community outcomes through an integrated, place-based approach.

Over the life of the programme, TRC will transform approximately 2,550 existing social homes into around 10,500 warm, dry and healthy new homes, including social housing, affordable rentals, shared home ownership (SHO), and market homes.

TRC's work focuses on three core delivery priorities that guide everything we do: building quality homes and neighbourhoods; being an excellent community housing provider; and using regeneration to drive stronger social and economic outcomes.

TRC is uniquely positioned to lead regeneration in Tāmaki. Success means delivering lasting, intergenerational change by enabling greater social mobility, with whānau supported to move from housing dependence to independence over time. In partnership with the Crown, Auckland Council and the community, this is achieved through quality homes within well-designed, mixed-use neighbourhoods that lift health, education and employment outcomes. At the same time, Tāmaki's identity and existing community strengths are maintained, recognising the deep roots many whānau already have in the area while enabling more whānau to establish long-term stability within the community.

Over time, this approach reduces the overall cost to government, delivers better outcomes for whānau, and supports improved outcomes across generations.

Our Delivery Priorities

Delivering Quality Housing and Neighbourhoods at Pace

TRC is delivering a large-scale, long-term regeneration programme that will redevelop approximately 2,550 existing social homes into around 10,500 new warm, dry homes across social housing, affordable rental, SHO and market tenures. By the end of FY27, 683 older homes are forecast to have been replaced with 2,136 new homes, representing a net increase of 1,453 homes. This reflects delivery momentum, while managing the complexity of a brownfield regeneration environment requiring coordinated infrastructure, rehousing and staging.

Across the FY24–FY28 funding period, TRC will deliver 754 new homes and enable at least a further 468 homes for delivery beyond FY28. This pipeline provides Crown, Auckland Council and delivery partners with visibility of near-term housing supply and future development capacity in Tāmaki, supporting planning and investment decisions across housing and infrastructure. This includes enabling well-connected, mixed-use developments in a strategic location just 12 minutes from Auckland's CBD, with easy access to key amenities including the Panmure and Glen Innes train stations and town centres.

As a place-based organisation, TRC draws on local insight and lived experience to guide redevelopment. Engagement with Mana Whenua, Tāmaki Housing Association (THA) tenants and the wider Tāmaki community helps shape typologies, tenure mix and development planning. This approach enables TRC to respond to rehousing needs, changing housing demand, manage the impacts of redevelopment on existing residents, and make a significant contribution to density and increasing housing supply across Auckland. Delivering homes across the housing continuum supports housing choice and social mobility for whānau, recognising the important role housing plays in health, education, employment and overall wellbeing.

Coordinated infrastructure investment is fundamental to the success of regeneration at this scale. TRC works with Kāinga Ora, HUD, Auckland Council and infrastructure providers to align housing delivery with infrastructure planning and network capacity. Maintaining programme momentum and enabling future stages of redevelopment will depend on timely infrastructure investment and funding certainty.

Being an Excellent Community Housing Provider

THA is committed to achieving the best possible outcomes for social housing tenants while ensuring responsible management of the housing portfolio and value for money for the Crown. In Tāmaki, social housing represents a significant proportion of the local housing stock, with approximately 60 percent of homes in the area being social housing. THA owns and manages around 2,550 social homes, providing tenancy and maintenance services to approximately 10,000 tenants.

The Tāmaki housing portfolio is one of the oldest in the country, with most homes built between the 1940s and 1960s. While redevelopment will progressively replace older housing stock, many homes require careful management and targeted investment to ensure they continue to provide safe, warm and dry homes for whānau. By the end of FY28, approximately 683 older homes are expected to be replaced as part of the regeneration programme.

Despite the age and complexity of the portfolio, THA continues to improve tenant outcomes through strengthened tenancy and asset management practices. THA monitors tenant outcomes through regular tenant satisfaction surveys and operational indicators including rent collection and maintenance performance. These measures provide insight into service performance and guide operational improvements, including clearer expectations, stronger tenancy support, and better frontline tools to manage arrears early and consistently.

As redevelopment progresses, THA continues to align tenancy and asset management with the regeneration programme. Through the Tāmaki Commitment, THA works closely with tenants affected by redevelopment, ensuring that those who wish to remain in Tāmaki have the opportunity to do so. This approach supports successful rehousing while enabling the regeneration programme to proceed in a coordinated and planned way. It also enables THA to meet its obligations as a responsible Community Housing Provider while the housing portfolio transitions progressively to newer, higher-quality homes.

Leveraging Redevelopment to Deliver Greater Social and Economic Outcomes

TRC delivers targeted social and economic programmes that support whānau to benefit from the opportunities created through regeneration. These initiatives focus on improving access to sustainable employment, strengthening financial capability, and supporting pathways into home ownership. Together, they help address some of the structural barriers faced by households in Tāmaki while building trust and maintaining community support for the ongoing housing renewal and regeneration programme.

These programmes represent approximately 1.3% of total budgeted operating and capital expenditure (excluding depreciation), reflecting a relatively small but targeted investment that supports broader outcomes. By improving employment prospects, financial capability, and pathways to housing independence, these initiatives help strengthen financial security for whānau and reduce long-term reliance on government support.

A key component of this work is the Tāmaki Jobs and Skills Hub, which supports local residents into sustainable employment and training. Recognising that household income is one of the largest barriers to financial stability and home ownership, the Hub helps residents build the skills needed to increase their earning potential. It also leverages the regeneration programme by partnering with TRC's build partners to connect residents to job opportunities created through redevelopment, including roles in construction and sub-trades, while supporting training and recruitment to meet workforce needs. To date, the Hub has supported over 1,880 local residents into employment.

Additionally, TRC's SHO programme supports families who would otherwise be unable to access home ownership. The programme enables whānau to purchase a home jointly with TRC, with families servicing a mortgage on approximately 70 percent of the home's market value while progressively purchasing TRC's share over time. To date, 123 families have entered home ownership through the programme, including 15% transitioning from social housing and around 55% from private rental housing. 16 families have progressed to full home ownership by purchasing TRC's remaining share, including three from social housing.

TRC also invests in initiatives that support whānau to become ready for home ownership. The OWN IT programme currently provides financial capability training and one-on-one support to help households reduce debt, increase savings and prepare for mortgage readiness. Participants are supported to progress along the housing continuum, including into affordable rental, shared home ownership, or other housing options that meet their needs.

Our Approach for the Financial Year

The approach for FY27 focuses on delivering our three delivery priorities:

- **Delivering quality homes and neighbourhoods** – increasing the pace of delivery while creating well-designed, mixed-used neighbourhoods with homes across the housing continuum, supporting infrastructure and community amenities. This will be achieved through strong urban design, building homes that reflect the needs of Tāmaki's diverse communities, and improving development efficiency through smart design and procurement.
- **Being an excellent community housing provider** – supporting social housing tenants to live well in their homes and neighbourhoods through responsive tenancy and maintenance services, assisting whānau through the rehousing process as redevelopment progresses, and connecting tenants with wider social services and support.
- **Leveraging the redevelopment to deliver greater social and economic outcomes** – supporting whānau into employment through initiatives such as the Tāmaki Jobs and Skills Hub, building financial capability through programmes like OWN IT, and enabling pathways into home ownership through the SHO programme, while supporting wider economic development in Tāmaki.

We are also focused on driving impact for the community and value for money:

- **Embedding mature operating models** – strengthening internal systems and processes that support successful delivery, including our project management office frameworks, the end-to-end development process, the THA operating model, and the continued delivery of our SHO pipeline and support services.
- **Driving efficiency while maintaining focus on whānau outcomes –** aligning resources to delivery priorities, maintaining financial discipline, and actively monitoring expenditure to ensure we achieve the greatest impact from every dollar invested.
- **Contributing to regeneration activity across New Zealand** – Sharing TRC's expertise with government and sector partners to support urban regeneration and community housing delivery, including collaboration with HUD, Kāinga Ora, and our partnership with Te Rau ō Te Korimako, where TRC provides back-office support to help scale their capability as a Community Housing Provider across the country.

Our Operating Environment

Tāmaki continues to be shaped by ongoing cost of living pressures, with many whānau facing financial strain. Housing costs remain one of the largest contributors to household expenses, and broader economic conditions have resulted in more cautious attitudes toward home purchasing. Despite this challenging environment, several whānau have continued to progress toward home ownership, with seven households purchasing full shares over FY26 after a slower period of progression. This reflects the proactive steps many whānau have taken to navigate cost of living pressures. Increasing the supply, choice in housing products, and supporting pathways into stable housing remain critical to improving outcomes for Tāmaki whānau.

TRC is operating within a fiscally constrained environment and is focused on delivering core services and regeneration outcomes while maintaining cost controls. Across redevelopment and asset management activities, we continue to prioritise value for money and operational efficiency. In FY25, TRC reduced expenditure compared with the prior financial year, including a $6.7m reduction in maintenance and capital spend, while continuing to meet our obligations as a responsible landlord and Community Housing Provider. At the same time, delivery performance across the regeneration programme has strengthened significantly. By 30 June 2028, 754 homes are forecast to have been delivered during the FY24–FY28 funding period,[2] exceeding the delivery target of 742 homes. This will bring total delivery since the programme began to 2,243 homes. Planning is also well advanced for at least a further 468 homes enabled for delivery beyond FY28.

As the programme has matured, TRC's role in Tāmaki has evolved. We now undertake a broader master developer function, including land remediation and demolition, procurement of build partners and development services, health and safety oversight, and construction contract management and payment. This approach provides greater control over delivery sequencing and improves programme coordination to support new homes and neighbourhoods in Tāmaki.

Against this backdrop, TRC remains focused on delivering the greatest impact for whānau and value for money by prioritising the homes people live in – through redevelopment, supporting social mobility along the housing continuum, and providing high-quality social housing services.

Organisational Health

As the regeneration programme continues to scale up, TRC has made deliberate changes to strengthen organisational capability and drive performance, particularly across development and commercial delivery. TRC has also brought key master developer functions in-house, reflecting the increasing maturity of the organisation and enabling greater control, coordination and accountability across the programme.

A continued focus on strengthening systems has improved performance, enabling efficient planning across the organisation and more reliable delivery. This includes a new business intelligence system, stronger oversight of health and safety, build quality and infrastructure coordination, and ensuring tenant services are delivered to a high standard, with care and value for money. TRC has also improved workforce efficiency, with resources tightly focused on its three delivery priorities. Delivery teams are supported by functions providing commercial and financial expertise, policy and strategy capability, and targeted communications and engagement support to help prepare the community for neighbourhood change, construction activity and the impacts associated with regeneration. Together, these functions enable an operating model that can respond to changing delivery demands, while maintaining the community's trust and delivering tangible outcomes for Tāmaki.

[2] To note, in FY24, 153 market homes were delivered, funded by a prior equity injection. Total delivery across FY24–FY28 is forecast to reach 907 homes, inclusive of those market deliveries.

Delivering on Expectations

Delivering on the Government's and Auckland Council's expectations

TRC's primary focus is to continue meeting our housing delivery commitments, with a strong focus on value for money. In response to Ministerial direction, we are delivering a broader mix of housing products across the housing continuum in this financial year, including 201 new social homes, 12 affordable rentals, 68 SHO homes, and 24 market homes. We remain committed to supporting Auckland's housing growth, recognising Tāmaki's strategic location and proximity to key public transport links that will benefit from the City Rail Link, while delivering homes across the housing continuum that increase housing choice and enable social mobility for whānau.

Our panel of leading New Zealand builders enables us to leverage private sector expertise, ensuring quality and value for money are prioritised at every stage of project delivery. To date, this procurement approach has supported more competitive pricing by allowing market forces to drive cost efficiencies, while also providing builders with a confirmed pipeline of developments during a quieter period in the housing market.

Tenancy management and maintenance, delivered through THA, represent the largest component of our annual operating expenditure. Our Senior Leadership Team and Board maintain a strong focus on ensuring THA operates effectively, while preserving the long-term value of Crown assets and meeting tenants' needs. THA retains governance and financial independence within the TRC group structure.

We will continue to prioritise value for money, including through identifying opportunities for efficiencies. A key example is the forecasted $4.195 million maintenance underspend in FY26 against budget, driven primarily by reactive maintenance savings of $2.627 million. This reflects lower work volumes and a reduced average cost per request. Ongoing focus on addressing root causes is expected to further reduce future maintenance demand, alongside a continued prioritisation of essential over discretionary works.

We are also committed to delivering homes that are cost-efficient to maintain and operate effectively for tenants. Our New Build Design Standards (NBDS) establish clear, measurable expectations for how social homes are designed, built, refurbished, and maintained. Developed alongside build partners and delivery teams, the NBDS ensure homes meet the needs of whānau while delivering long-term value through consistent, outcome-focused design.

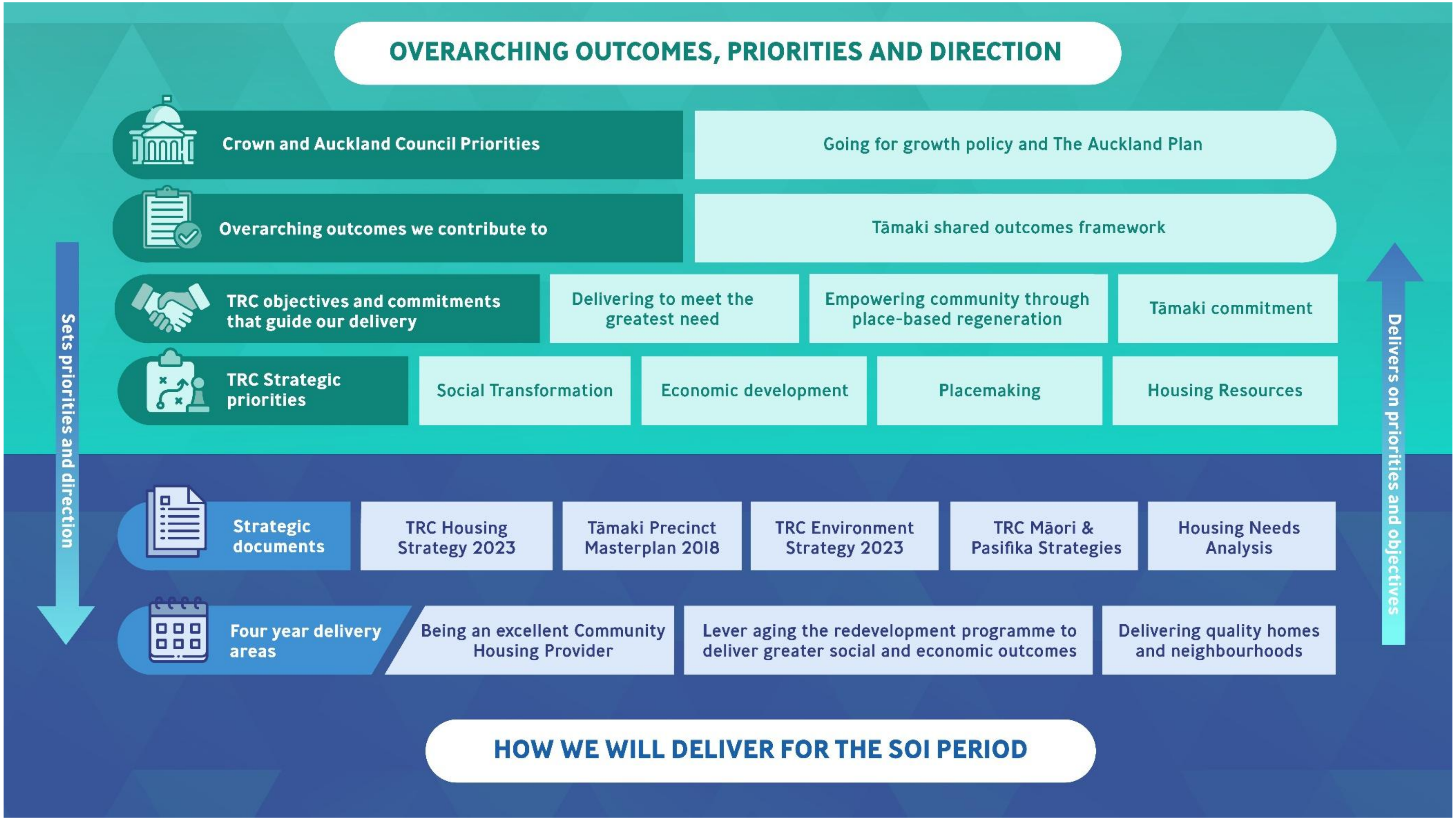
Through these initiatives, we will continue to manage costs responsibly and maintain value for money for the Crown.

TRC continues to provide reporting in line with the Reporting and Approvals Framework agreed with HUD. We will review the effectiveness of the lead councillor and community observer roles and update policy where appropriate, recognising the importance of transparent decision-making processes that appropriately include shareholders.

We will maintain a "no surprises" approach in our engagement with shareholders and officials, supporting transparent, constructive and trusting relationships. This is critical to ensuring alignment on priorities, enabling informed decision-making, and ultimately delivering outcomes for Tāmaki whānau, while meeting shareholder expectations and strategic objectives.

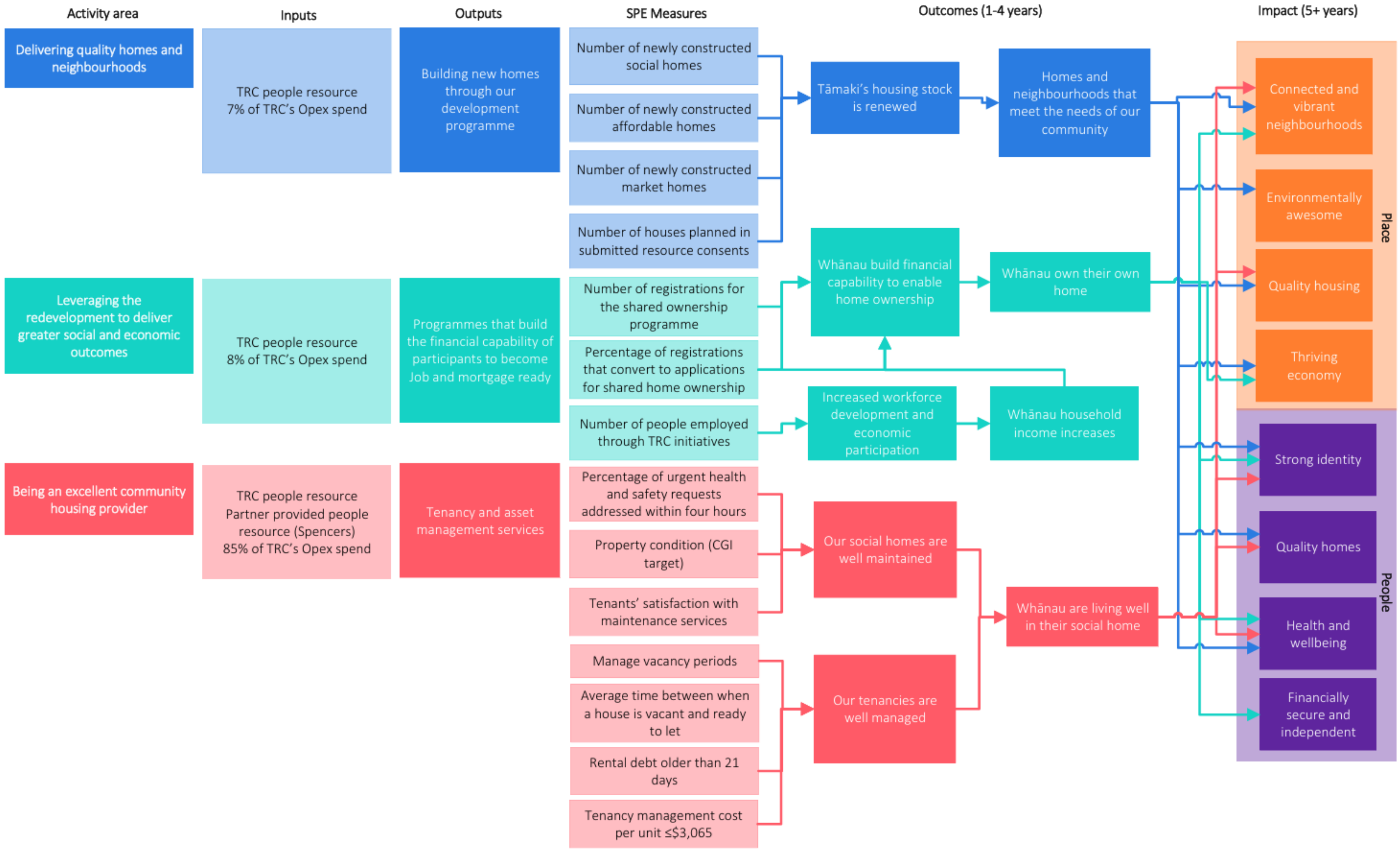
Our Strategic Framework

For more details on what underpins our strategic framework, please see our Statement of Intent 2024-2028.



Our Intervention Logic Map

Our Intervention Logic Map sets out how inputs and activities are linked to annual outputs and how these annual outputs deliver outcomes within a Statement of Intent period (i.e., a one – four-year time frame) and longer-term (five years and more) impacts.



Delivering Quality Homes And Neighbourhoods

Over the life of the regeneration programme, TRC will deliver approximately 10,500 new homes in Tāmaki across the housing continuum, including social housing, affordable rental, SHO, and market housing.

By the end of 30 June 2028, TRC is forecast to deliver a total of 2,243 new homes since the programme commenced in 2012. Within the FY24–FY28 delivery programme, TRC is forecast to deliver 754 homes, exceeding the programme target of 742 homes. In addition, at least a further 468 homes are expected to be enabled for delivery beyond FY28, providing a strong pipeline for future housing delivery. This delivery is supported by a panel of high-quality builders who help ensure projects meet expectations for cost, quality, and programme.

As the regeneration programme has matured, TRC's role in Tāmaki continues to evolve. TRC now undertakes a broader master developer function, including land remediation and demolition, procurement and contractual management of build partners and development services and health and safety oversight across housing construction activity in Tāmaki. This approach provides greater control over sequencing and improves coordination across development activity, supporting the efficient delivery of new homes and mixed-use neighbourhoods close to key amenities such as the Panmure and Glen Innes train stations and town centres.

TRC continues to work closely with Kāinga Ora as it continues to complete enabling infrastructure upgrades in Point England, Panmure North and Glen Innes West neighbourhoods. While TRC leads development delivery across the programme, ongoing coordination with Kāinga Ora remains important to ensure alignment across housing delivery, infrastructure investment, and wider government housing objectives.

Infrastructure delivery remains a critical enabler of the regeneration programme overall. Work is well underway with Auckland Council and infrastructure partners to deliver the further in-ground infrastructure required to support housing development across key neighbourhoods over the coming years.

In response to Ministerial direction, TRC is expanding the delivery of housing products compared to FY26, reflecting the understanding that a diverse range of housing options across the housing continuum supports greater social mobility and long-term opportunity. In FY27, TRC aims to deliver 201 new social homes, 12 affordable rentals, 68 SHO homes and 24 market homes. These homes provide more than just shelter, they are warm, stable places where children can grow and thrive, and where families can put down roots and build their futures.

The submission of resource consents remains an important leading indicator of land enablement and provides assurance of TRC's ability to deliver future housing. In FY27, TRC plans to submit resource consents for 520 new homes across the 136 Taniwha and Glen Innes North-West Stages 4 and 5 projects. These developments are strategically located within walking distance of the Glen Innes Town Centre, local parks and reserves, community facilities such as the Glen Innes Recreation Centre, and public transport.

Over the next 12 months, TRC will also achieve key milestones across priority developments, progressing projects such as PN-021, Larsen and Torino PN-090 and PN-091, alongside further small site developments. Across these projects, more than 67 new homes are expected to be delivered over the next two years while also enabling wider outcomes identified in the Tāmaki Precinct Masterplan.

The delivery of a diverse mix of housing within well-functioning, connected neighbourhoods remains consistent with the objectives of the Government's National Policy Statement on Urban Development and the Medium Density Residential Standards.

During the 2026/27 Financial Year, TRC will:

- Work with build partners to deliver 305 new homes in Tāmaki, including 201 social homes, 12 affordable rentals, 68 SHO homes and 24 market homes.
- Explore and progress opportunities to partner with Mana Whenua and the Tāmaki community through development projects, to enable the achievement of housing and economic aspirations for whānau.

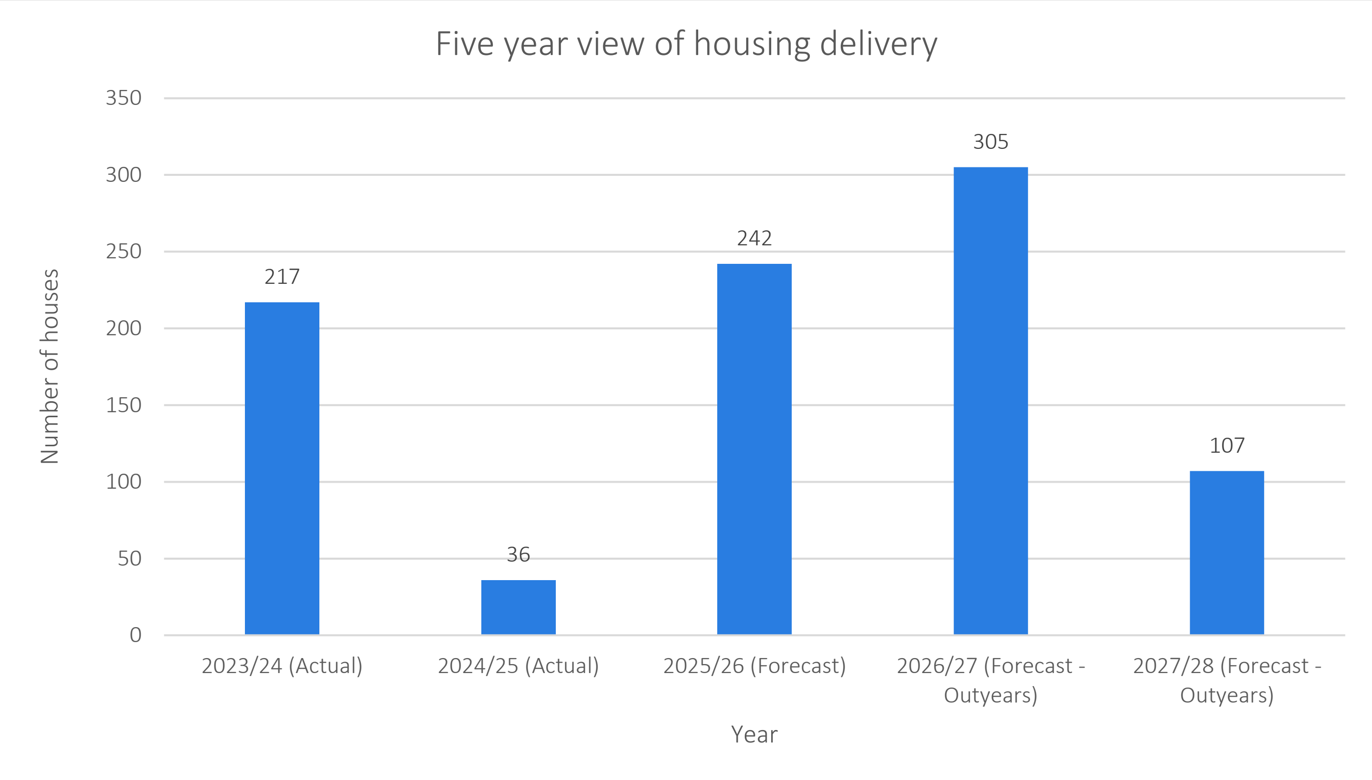
- Progress key enabling projects, adding homes to our supply pipeline to maintain momentum in the years to come.

Measures and link to strategic framework

Outcome	**Tāmaki's housing stock is renewed**			
Output	Building new homes through our development programme			
Contributes to Tāmaki Shared Outcomes Framework	**People** Tāmaki whānau have a strong Tāmaki identity. Tāmaki whānau love their homes. Tāmaki whānau have good health and wellbeing. **Place** Tāmaki has vibrant and connected neighbourhoods. Tāmaki has quality housing that is safe, warm and dry. Tāmaki is environmentally awesome. Tāmaki has a thriving economy.			
Measures: How we will know we are making progress towards our desired outcome	MEASURE	RESULT 24/25	TARGET 25/26	TARGET 26/27
	Number of **newly constructed homes[3].**	36	223	305
	Number of newly constructed **social homes.**	27	98	201
	Number of newly constructed **affordable rentals.**	New measure		12
	Number of newly constructed **shared equity homes**	9	125	68
	Number of newly constructed **market homes**	New measure		24
	Number of **houses planned in submitted resource consents**.	487	291	520

[3] Houses are defined as completed with the application for a Code of Compliance Certificate has been lodged with Auckland Council.

Five-year view of housing delivery:

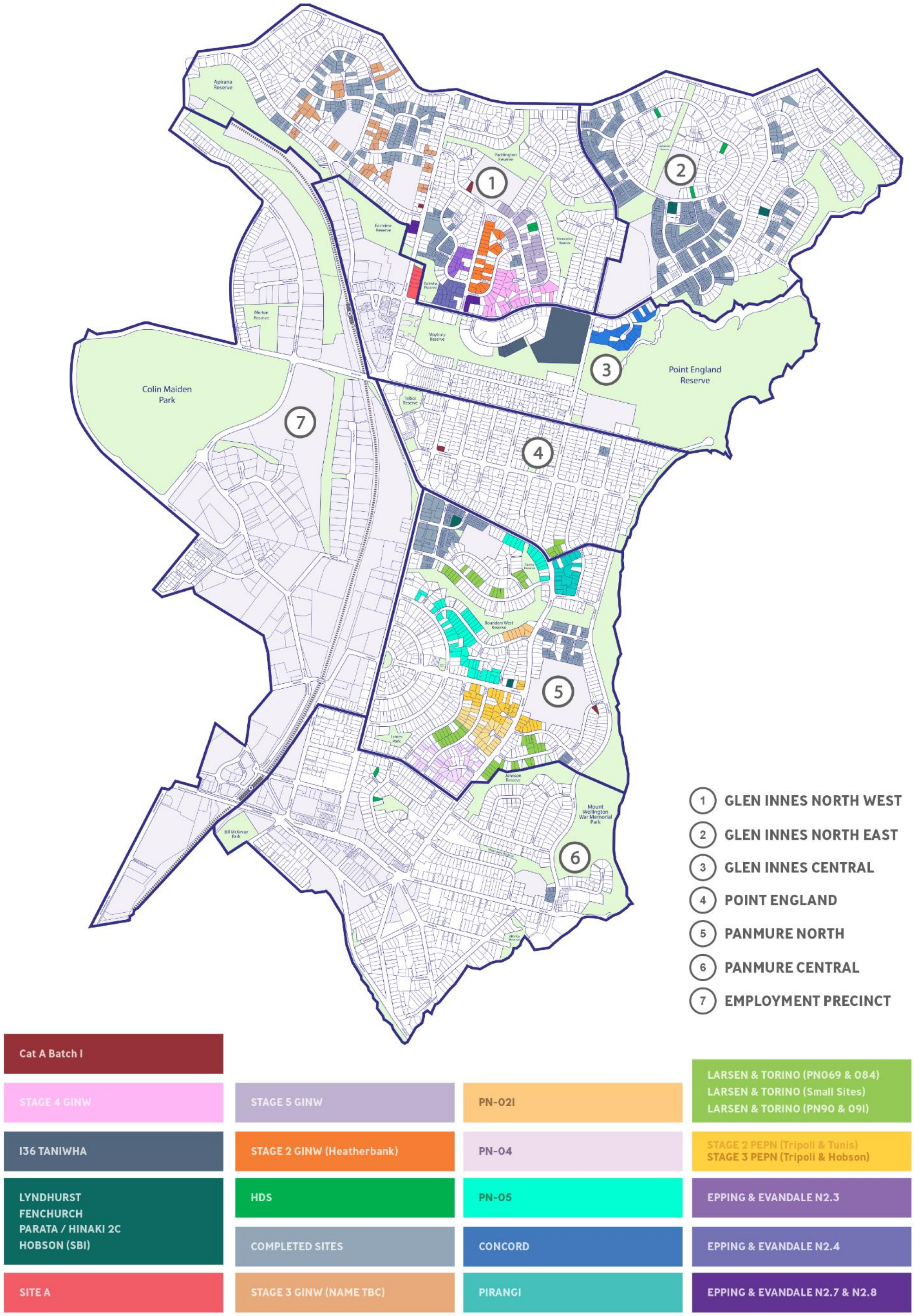


Enabling Projects

We expect to achieve key milestones for the following projects by the end of the 2026/27 Financial Year. Following on from the table is a map that shows where these projects are located in Tāmaki.

PROJECT	MILESTONE 26/27
PN-021 Located in Panmure at the intersection of Oran Road and Tripoli Road, this project will deliver 39 new homes, comprising 23 social homes and 16 market homes. It forms part of Point England and Panmure North Stage 3 and is situated adjacent to Boundary Reserve.	Construction commences
Larsen and Torino PN-090 & PN-091 These developments, located in Point England and Panmure North, are two of 10 superlots within the Larsen and Torino Small Sites project. Together, they will deliver 14 new homes, comprising seven social homes (PN-091) and seven SHO homes (PN-090). PN-091 will deliver a three-level block of seven social homes, while PN-090 will deliver a two-level block of seven terraced SHO homes.	Construction commences
Category A Batch 1 Small Sites The Category A Batch 1 Small Sites project includes four sites—198 Pilkington Road, 26 Farringdon Street, 28 Benghazi Road, and 55A Line Road—which will collectively deliver 14 social homes across Tāmaki.	Construction commences
GINW Stages 4 and 5 These development stages cover approximately 5.6 hectares across nine superlots off Taniwha Street and Farringdon Street. Located within walking distance of the Glen Innes Town Centre, local parks and reserves, they will support the future delivery of approximately 270 new homes.	Resource consent lodged
136 Taniwha This development is within walking distance of the Glen Innes Town Centre, local parks and reserves (Maybury Reserve and Taniwha Reserve), the Glen Innes Recreation Centre, and public transport, including bus stops and the Glen Innes Train Station. It will support the future delivery of approximately 250 new homes.	Resource consent lodged

Map of Development Projects



TĀMAKI

Revenue and Output Expenses

Revenue and Output Expenses	2026/27 Prospective Unaudited ($000s)	2025/26 Prospective Unaudited ($000s)
Crown Revenue	0	0
Other Revenue	72,841	15,278
Total Revenue	72,841	15,278
Expenditure	(120,835)	(22,513)
Net (Deficit)	(47,994)	(7,235)

Being an Excellent Community Housing Provider

The THA is committed to achieving the best possible outcomes for social housing tenants while ensuring responsible management of the housing portfolio and value for money for the Crown. Social housing makes up around 60 percent of homes in Tāmaki. THA owns and manages approximately 2,550 homes, providing tenancy and maintenance services to around 10,000 tenants.

Supporting Our Tenants

Supporting tenants and whānau to live well in their homes is central to THA's role as a community housing provider. Through tenancy management and partnerships with community providers, THA works to ensure tenants live in safe, healthy homes while supporting whānau to sustain their tenancies and, where possible, progress along the housing continuum.

Our tenancy management approach recognises that tenants have diverse and evolving needs. Each year THA has approximately 7,000 interactions with tenants through tenancy management and 2,000 maintenance services. Insights and feedback from these touchpoints, alongside regular tenant satisfaction surveys, help teams understand the barriers and challenges whānau face and guide continuous improvements to services. We continue to refine our service model to provide more targeted tenancy support that improves tenant outcomes and reduces challenges that can impact whānau wellbeing, such as tenancy debt or antisocial behaviour.

Being place-based is one of our key strengths. We employ tenancy managers who live in or reflect the Tāmaki community, allowing us to build high-trust relationships with tenants and engage effectively with whānau from diverse cultural backgrounds. Our team includes staff who speak the main languages of tenants, helping ensure services are accessible and responsive to tenant needs.

Rehousing remains a vital part of the regeneration programme. When redevelopment requires a social home to be replaced, we work closely with affected whānau to understand their needs and support them through the rehousing process. As development activity increases this work becomes more complex, but we remain committed to the Tāmaki Commitment: whānau who wish to stay in Tāmaki will have the opportunity to do so. Maintaining these connections is important for whānau who have often lived in the area for generations.

Through the trusted relationships built between tenancy managers and tenants, we are also able to have conversations about financial capability and long-term housing goals. These relationships help whānau recognise opportunities to increase their earning potential, strengthen savings, and work toward greater financial independence. For some households this may involve exploring additional employment opportunities, adjusting spending habits, or engaging with TRC's financial capability and shared home ownership programmes. Over time, these steps can support tenants to realise their home ownership aspirations and begin their journey.

Two FY27 targets have been strengthened following positive results over the past financial year. The target for the average number of days to let a THA property to applicants from the MSD register after it becomes available has been reduced to fewer than 5 days, reflecting efficient leasing practices and a continued focus on minimising the time homes remain vacant. While an increase in new housing stock is expected to place additional pressure on letting activity, THA is confident this target can be maintained.

Similarly, the target for average inter-tenancy void turnaround time has been reduced to fewer than 19 working days. The revised target recognises that, while current results support a higher standard, some newly built homes are more complex and may require additional work between tenancies.

During the 2026/2027 Financial Year, THA will:

- Manage tenancies with efficiency and care by meeting whānau needs through trusting relationships, and meeting our obligations in a complex regeneration environment.
- Adhere to the Tāmaki Commitment.

- Respond to tenant requests promptly, resolve issues within agreed timeframes, and where relevant, understand the drivers behind their needs to improve outcomes.
- Plan and deliver rehousing for whānau affected by redevelopment, including forward mapping tenant mobility needs against the housing delivery programme.
- Lead a tenant "census" project to better understand the needs of tenants and identify opportunities to improve our service delivery model.
- Strengthen links between THA tenancy services and TRC's affordable rental and SHO programmes to support whānau to transition from social housing.

Measures and link to strategic framework

Outcome	**Our tenancies are well managed**[4]			
Output	Tenancy management services provided by the Tāmaki Housing Association			
Contributions to Tāmaki Shared Outcomes Framework	**People** Tāmaki whānau have a strong Tāmaki identity. Tāmaki whānau love their homes. **Place** Tāmaki whānau live in connected and vibrant neighbourhoods. Tāmaki has quality housing that is safe, warm and dry.			
Measures: How we will know we are making progress towards our desired outcome.	Measure	RESULT 24/25	TARGET 25/26	TARGET 26/27
	Average number of days to let Tāmaki Housing Association property to applicants from the MSD register after it becomes available	2.6 calendar days	< 7 calendar days	**< 5 calendar days**
	Average inter-tenancy void turnaround time (vacant to ready to let)	18.9 working days	< 20 working days	**< 19 working days**
	Rental debt older than 21 days as a percentage of monthly rental income	2.48%	< 5.0%	**< 5.0%**
	Tenancy management cost per unit	$2,982	<$3,175.82	**<$3,175.82**

[4] Activity, and associated expenditure within the Tenancy Management subclass relates specifically to the activities of Tāmaki Housing Association Limited Partnership, a registered community housing provider (Class 1 Social Landlord with the Community Housing Regulatory Authority) and a wholly owned subsidiary of Tāmaki Redevelopment Company Limited.

Maintaining Our Social Homes

THA owns and manages one of the oldest social housing portfolios in the country, with most homes built between the 1940s and 1960s. Managing this ageing portfolio requires balancing the liveability of homes with rising maintenance costs and the reality that some properties will be redeveloped over the next 5–20 years. This means maintenance and retrofitting decisions must be carefully targeted to ensure homes remain safe, warm, and healthy while also delivering value for money.

Maintenance and repairs of housing assets have been the largest driver of operational cost increases, reflecting the need to manage ageing housing stock for longer than expected and the resulting growth in maintenance demand and costs. In FY24, THA completed a comprehensive Maintenance Review Programme to ensure maintenance services are delivered efficiently while maintaining outcomes for tenants and the condition of the housing portfolio. The review focused on improving work management processes, refining maintenance standards, and ensuring the right level of intervention is applied to each job.

As a result of this work, maintenance and capital spend decreased by $6.7m compared with the previous financial year, reflecting more efficient service delivery. Importantly, these savings have been achieved without compromising the quality of work or outcomes for tenants. A key focus has been improving decision-making around whether assets should be repaired or replaced, ensuring the most appropriate and cost-effective approach is taken in each case. This has reduced unnecessary work while maintaining the condition of homes and meeting tenant needs.

Despite the challenges presented by an ageing housing portfolio, THA remains committed to ensuring all homes meet the health and safety requirements expected of social housing. Since the Condition Grade Index (CGI) baseline was established in FY19, THA has continued to improve the overall condition of the portfolio through a planned maintenance approach.

TRC's maintenance programme is supported by the reset of the NBDS, which set clear, measurable expectations for how our social homes are designed, built, refurbished, and maintained. Developed with build partners and delivery teams, they ensure homes meet whānau needs while delivering long-term value through consistent, outcome-focused design. By standardising key elements and enabling smarter material and system choices, the NBDS reduce whole-of-life maintenance costs and improve operational efficiency, while remaining flexible to incorporate future innovations.

Through these initiatives, THA will continue to manage maintenance responsibly, ensuring tenants live in safe and healthy homes while maintaining value for money for the Crown.

During the 2026/2027 Financial Year, TRC will:

- Manage the housing portfolio to minimise vacancy periods and maximise the number of social housing places available, while aligning tenancy allocations and rehousing with the redevelopment programme.
- Maintain homes to meet the standards required of a Class 1 Social Housing Landlord, including compliance with the Residential Tenancies Act, Healthy Homes Standards, and our Open Terms Agreement.
- Refine the New Build Design Standards and maintenance processes to improve cost efficiency, deliver proactive maintenance, and ensure homes remain warm, dry, and fit for purpose.

Measures and link to strategic framework

Outcome	**Our social homes are well managed and maintained**[5]
Output	Asset management programme provided by the Tāmaki Housing Association
Contributions to Tāmaki Shared Outcomes Framework	**People** Tāmaki whānau love their homes. Tāmaki whānau have good health and wellbeing. **Place** Tāmaki has quality housing that is safe, warm and dry.

Measures: How we will know we are making progress towards our desired outcome	MEASURE	RESULT 24/25	TARGET 25/26	TARGET 26/27
	Percentage of urgent health and safety requests addressed within four hours[6]	99.7%	95%	**95%**
	Portfolio average property condition (CGI)	2.05	2.07	**2.07**
	Percentage of tenants satisfied with repairs and maintenance	75%	75%	**75%**

Revenue and Output Expenses

Revenue and Output Expenses	2026/27 Prospective Unaudited ($000s)	2025/26 Prospective Unaudited ($000s)
Crown Revenue	58,537	54,032
Other Revenue	26,361	28,039
Total Revenue	84,898	82,071
Expenditure	(59,279)	(59,081)
Depreciation	(41,243)	(39,785)
Net (Deficit)	(15,624)	(16,795)

[5] Activity, and associated expenditure, within the Asset Management subclass relates specifically to Tāmaki Regeneration Limited (TRL), TRC's asset-owning subsidiary.

[6] An urgent health and safety request is a maintenance query relating to the health or safety of the tenant or the home, or where a major household system is not functioning (for example, no water supply or an electricity outage). For reporting purposes, receipt of a query is the time the call is logged with the maintenance provider, and response time is measured from when the tradesperson arrives at the property.

Leveraging the Redevelopment to Deliver Greater Social and Economic Outcomes

TRC's social and economic initiatives support whānau to progress along the housing continuum by addressing key barriers to housing independence, including housing affordability, financial capability, and access to sustainable employment. Together, these initiatives help create pathways for households to move toward stable housing and home ownership.

Supporting Locals into Work

TRC supports Tāmaki residents into work through the Tāmaki Jobs and Skills Hub, recognising that stable employment and household income are critical enablers for financial capability, housing independence and long-term opportunity.

The Hub provides services to help people find and sustain employment, while supporting businesses to recruit and retain staff. Since FY14 the Hub has been delivered in partnership with the Auckland Business Chamber and has supported over 1,880 local residents into employment, but as the regeneration programme enters its next phase, TRC has brought the programme in-house to better align it with housing delivery and economic outcomes.

With master developer responsibilities transferred from Kāinga Ora to TRC, the organisation now has full control of the build programme. This creates an opportunity to more closely align the Jobs and Skills Hub with the housing delivery pipeline, including increasing the focus on construction, infrastructure, and maintenance-related employment, supporting training and recruitment to meet workforce needs.

Additionally, TRC's social procurement initiatives enable strong partnerships between the local community and the build programme. This includes a partnership with Tāmaki College's Trades Academy, providing students with hands-on experience on live construction sites. Each week, students visit sites in progress, gaining practical insight into the full build process, from structural works through to subtrades. The partnership connects classroom learning with real-world industry experience and supports students to understand potential career pathways. The impact is already evident, with three students from the 2025 cohort moving into construction roles in early 2026, alongside five cadetships with subcontractors and a further six secured with build partners through the Tāmaki Jobs and Skills Hub.

By increasing access to sustainable employment and career pathways, the programme helps address key barriers to housing independence while contributing to stronger community outcomes as development activity continues to scale. It will also continue to support the Ministry of Social Development's work to reduce the number of people receiving Jobseeker Support — a cohort with strong potential to transition off state support – while maintaining a focus on improving employment outcomes for young people.

Shared Home Ownership

SHO supports families who would otherwise be unable to purchase a home by addressing two of the biggest barriers to home ownership: deposits and mortgage repayments. Under this model, first-home buyers or multigenerational whānau purchase a home jointly with TRC and initially service a mortgage on approximately 70 per cent of the home's value. Over time, households can purchase TRC's share until they own the home outright.

This model enables whānau who would otherwise face significant barriers to home ownership to purchase a home, supporting movement through the housing continuum and creating pathways from social housing or private rental into home ownership. To date, 123 families have entered home ownership through the programme, including 15 per cent transitioning from social housing and around 55 per cent from private rental housing. 16 whānau have progressed to full home ownership by purchasing TRC's remaining share, including three whānau from social housing.

Additionally, the OWN IT Financial Capability Programme supports households to take practical steps toward home ownership by building financial capability and preparedness. Through workshops and tailored one-on-one support, whānau and individuals develop the knowledge and tools required to reduce debt, increase savings, and become mortgage ready.

The programme encourages participants to consider both their immediate financial circumstances and longer-term goals. Sessions build progressively, covering topics such as understanding the economy and housing market, managing debt, building savings and investments, insurance, and financial goal setting. This approach supports households to make informed financial decisions and take steps toward long-term housing stability and intergenerational wealth.

TRC's role as both a regeneration organisation and Community Housing Provider provides a system-wide view of housing in Tāmaki and enables direct engagement with households facing the greatest barriers to housing independence. Through tenancy management relationships, TRC is able to work directly with social housing tenants — many of whom have experienced long-term reliance on social housing across generations — and support practical conversations about financial capability, debt management, and pathways toward greater housing independence.

Through this high-trust engagement, the programme helps whānau build the financial capability required to progress toward home ownership and realise their longer-term earning potential. This also supports the broader housing system by freeing up social housing places for others in need, including the 381 applicants[7] currently on the social housing register in the Maungakiekie–Tāmaki Local Board area.

During the 2026/2027 Financial Year, TRC will:

- Deliver the OWN IT Financial Capability Programme to support households to build financial independence, reduce debt, increase savings, and work towards mortgage readiness as they begin their home ownership journey.
- Grow the pipeline of aspiring homeowners and support whānau to progress through to purchase, ensuring new housing supply translates into secure home ownership for more families.
- Build a pipeline for affordable rental housing as affordable rental homes are delivered through the regeneration programme.
- Integrate the Jobs and Skills Hub into TRC operations, strengthening alignment with the organisation's long-term social and economic objectives and enabling closer connections between employment pathways, housing delivery, and wider regeneration outcomes.

[7] As at March 2026

Measures and link to strategic framework

Outcome	**Whānau build financial capability to enable home ownership**
Output	Programmes that build the financial capability of participants to become mortgage ready
Contributions to Tāmaki Shared Outcomes Framework	**People** Tāmaki has a strong identity. Tāmaki whānau love their homes. Tāmaki whānau have good health and wellbeing. Tāmaki whānau are financially secure and independent. **Place** Tāmaki has a thriving economy

Measures:

How we will know we are making progress towards our desired outcome

MEASURE	RESULT 24/25	TARGET 25/26	TARGET 26/27
Number of **registrations**[8] **for the Shared Home Ownership Programme**	1,165	1000	**1000**
Percentage of registrations that convert to applications[9] for shared home ownership	21%	20%	**20%**[10]

Outcome	**Whānau household income increases**
Output	Programmes and services that support Tāmaki residents into education and employment opportunities
Contributions to Tāmaki Shared Outcomes framework	Tāmaki whānau have good health and wellbeing. Tāmaki whānau are financially secure and independent. Tāmaki partners drive equitable change. Tāmaki partners engage in systems thinking.

Measures:

How we will know we are making progress towards our desired outcome

MEASURE	RESULT 24/25	TARGET 25/26	TARGET 26/27
Number of Tāmaki **people who are employed through TRC initiatives**.	185	150	**150**

[8] Registrations refer to individuals or households who have formally expressed interest via our online registration form. Registrations involve providing personal information and indicating an intention to participate in the programme.
[9] Applications refer to individuals or households that formally submit applications to participate in the programme, meet eligibility criteria and are officially in the pipeline for purchasing a shared home ownership product.
[10] The conversion target of 20% is based on the registrations target, rather than the number of registrations received.

Revenue and Output Expenses

Revenue and Output Expenses	2026/27 Prospective Unaudited ($000s)	2025/26 Prospective Unaudited ($000s)
Crown Revenue	0	0
Other Revenue	274	0
Total Revenue	274	0
Expenditure	(7,971)	(5,449)
Net (Deficit)	(7,697)	(5,449)

PROSPECTIVE FINANCIAL INFORMATION

Tāmaki Redevelopment Company Limited Group
Statement of Prospective Comprehensive Revenue and Expense (Unaudited)
For the year ending 30 June 2027

	2027 Prospective Unaudited $000's	2026 Prospective Unaudited $000's
Revenue		
Management fee income	15,005	13,773
Dividend received	9,000	7,500
Other income	6	6
Total revenue	**24,011**	**21,279**
Expenditure		
Personnel costs	17,557	15,015
Consultants and professional fees	2,132	1,850
Contractors and temporary staff	109	84
Directors' fees	608	322
Utilities and insurance	110	99
Legal expenses	731	100
Repairs and maintenance	63	23
Other expenses	5,712	4,864
Total expenditure	**27,022**	**22,357**
EBITDAF	(3,011)	(1,078)
Depreciation and amortisation expense	34	49
EBIT	(3,045)	(1,127)
Interest income	180	237
Net interest income	**180**	**237**
Net (deficit) for the year	(2,865)	(890)
Total comprehensive revenue and expense	(2,865)	(890)

Tāmaki Redevelopment Company Limited Group
Statement of Prospective Financial Position (Unaudited)
As at 30 June 2027

Assets	2027 Prospective Unaudited $000's	2026 Prospective Unaudited $000's
Current assets		
Cash and cash equivalents	9,694	9,694
Trade and other receivables	2,963	2,963
Total current assets	**12,657**	**12,657**
Non-current assets		
Property, plant, and equipment	66	100
Total non-current assets	**66**	**100**
Total assets	**12,723**	**12,757**
Liabilities		
Current liabilities		
Creditors and other payables	(20,309)	(17,478)
Annual leave liability	(531)	(531)
GST payable	(46)	(46)
Total current liabilities	**(20,886)**	**(18,055)**
Total liabilities	**(20,886)**	**(18,055)**
Net liabilities	**(8,163)**	**(5,298)**
Equity		
Ordinary shares - Crown	5,000	5,000
Ordinary shares - Auckland Council	3,500	3,500
Accumulated (deficit)	(16,663)	(13,798)
Total equity	**(8,163)**	**(5,298)**

For and on behalf of the Board who authorise the issue of the financial statements on 30 June 2026.

Evan Davies
Board Chair

30 June 2026

Madhavan Raman
Director

30 June 2026

Tāmaki Redevelopment Company Limited Group
Statement of Prospective Changes in Equity (Unaudited)
For the year ending 30 June 2027

	2027 Prospective Unaudited $000's	2026 Prospective Unaudited $000's
Balance at 1 July	(5,298)	(4,408)
Total comprehensive revenue and expense		
(Deficit) for the year	(2,865)	(890)
Total comprehensive income	(2,865)	(890)
Owners' transactions		
Capital contribution	0	0
Repayment of capital	0	0
Total contributions and distributions	0	0
Balance at 30 June	(8,163)	(5,298)

Tāmaki Redevelopment Company Limited Group
Statement of Prospective Cash Flows (Unaudited)
For the year ending 30 June 2027

	2027 Prospective Unaudited $000's	2026 Prospective Unaudited $000's
Cash flows from operating activities		
Rental Income from tenants	0	(466)
Receipts from other revenue	6	(152)
Management fee income	15,005	13,773
Payments to suppliers	(6,634)	(3,291)
Payments to employees	(17,557)	(14,847)
Net cash flow from operating activities	**(9,180)**	**(4,983)**
Cash flow from investing activities		
Purchase of property, plant and equipment	0	(32)
Net cash flow from investing activities	**0**	**(32)**
Cash flow from financing activities		
Interest received	180	237
Dividend received	9,000	7,500
Net cash flow from financing activities	**9,180**	**7,737**
Net increase in cash and cash equivalents	**0**	**2,722**
Cash and cash equivalents at the beginning of the year	9,694	6,972
Cash and cash equivalents at the end of the year	**9,694**	**9,694**

Tāmaki Redevelopment Company Limited Group
Notes to the Prospective Financial Statements (Unaudited)
For the year ending 30 June 2027

Statement of Accounting Policies

Reporting Entity
These prospective financial statements are for the Tāmaki Redevelopment Company Limited Group (TRC Group) which comprises the parent entity Tāmaki Redevelopment Company Limited (TRC Parent) and its two subsidiaries Tāmaki Housing Association Limited Partnership (THALP) and THA GP Limited (THAGP). TRC Group has determined that it is a public benefit entity (PBE) for financial reporting purposes. TRC Group's primary objective is the social and economic regeneration of the Tāmaki area.

These prospective financial statements do not include Tāmaki Regeneration Limited (TRL) due to Crown (rather than TRC Parent) controlling TRL. TRL's prospective financial statements are presented separately on pages 36 to 46 of this Statement of Performance Expectations. This document also presents, on pages 47 to 52, an aggregated set of prospective financial statements of the Tāmaki Redevelopment Company Limited Legal Group (which comprises of TRC Group and TRL) that do not comply with generally accepted accounting practice in New Zealand (NZ GAAP) and are not audited. Such an aggregation must be treated as a non-GAAP set of prospective financial statements as it is not acceptable under PBE IPSAS 35 Consolidated and Separate Financial Statements to consolidate TRL into TRC Group.

TRC Parent is a limited liability company incorporated in New Zealand under the Companies Act 1993 and is a schedule 4A entity of the Public Finance Act 1989.

These prospective financial statements for TRC Group are for the year ending 30 June 2027 and were approved by the Board on 30 June 2026.

Prospective Financial Statements
These prospective financial statements have been prepared for the express purpose of meeting legislative requirements set out under the Crown Entities Act 2004 and the use of these statements for any other purpose may not be appropriate. The description of the principal activities and current operations of TRC Group including those activities and operations expected to be undertaken during the period covered by these prospective financial statements are outlined in the strategic priorities section of this document. The actual financial results achieved for the year ending 30 June 2027 are likely to vary from these prospective financial statements and the variations could be material.

Basis of Preparation
The prospective financial statements have been prepared on a going concern basis. This is based on the past practice of funding TRC's operating expenditure through intercompany advances and dividends from its subsidiary, Tāmaki Regeneration Limited. A dividend was issued by TRL for $7.5m on 21 October 2025 which was used to pay off prior intercompany advances made by TRL. The Entitled Persons/Ministerial approval for the dividend waiver was received as required.

The TRL Board has resolved to provide cash flow support to TRC group as required and TRL is expected to be solvent and in a position to issue dividends to the TRC group at the end of the prospective reporting period.

The accounting policies have been applied consistently throughout the period.

Statement of Compliance

The prospective financial statements of TRC Group have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with NZ GAAP. TRC Group is a non-publicly accountable and non-large public benefit entity as defined by the External Reporting Board. For that reason, TRC Group is allowed and has elected to prepare its financial statements in accordance with Tier 2 PBE accounting standards, which allows reduced disclosures.

These prospective financial statements comply with PBE accounting standards; Prospective Financial Statements (PBE FRS 42).

Functional and Presentation Currency

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000). The functional currency of TRC is New Zealand dollars (NZ$).

Significant Accounting Policies

Control and Consolidation

Subsidiaries

Subsidiaries are entities controlled by the TRC Parent. The TRC Parent controls an entity when it has the power to govern the financial and operating policies of the entity to benefit from its activities. The prospective financial statements from the date on which control commences until the date on which control ceases are consolidated into the TRC Parent's prospective financial statements. The TRC Parent controls two subsidiaries being THALP and THAGP.

Loss of control

When the TRC Parent loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related minority interests and other components of equity. Any resulting gain or loss is recognised in surplus or deficit. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Revenue from Exchange Transactions

Exchange revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to TRC Group, and the revenue can be reliably measured, regardless of when the payment is being made. The specific accounting policies for significant revenue items are explained below:

Management fee income

The TRC Parent received management fees from Tāmaki Regeneration Limited each month in return for supplying day to day management services. THALP received management fees from TRL, each month in return for provision of tenancy and property management services.

Dividend revenue from TRL

Dividend revenue is recognised when the right to receive payment has been established. Dividend revenue is received from TRL on the 100 ordinary shares that TRC Parent owns at $1 each. The value of these shares is rounded down to zero in the Statement of Financial Position.

Interest income

Interest income is recognised using the effective interest method. Interest income on an impaired financial asset is recognised using the original effective interest rate.

Significant Accounting Policies (cont'd)

Receivables

Short-term receivables are recorded at face value, less any expected credit losses. TRC Group applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Property, Plant, and Equipment

Property, plant, and equipment consist of the following asset classes: leasehold improvements, office equipment and computer equipment. All asset classes are measured at cost less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to TRC Group and the cost of the item can be measured reliably. In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at its fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit.

Subsequent costs

Costs incurred, subsequent to, initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to TRC Group and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in surplus or deficit as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of property, plant and equipment have been estimated as follows:

Leasehold improvements	The shorter of the period of the lease or estimated useful life
Office equipment	3 years
Computer equipment	5 years

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter. The residual value and useful life of an asset is reviewed and adjusted if applicable, at each financial year end.

Significant Accounting Policies (cont'd)

Impairment of property, plant and equipment, intangible assets, and inventories

TRC Group does not hold any cash-generating property, plant, and equipment. Property, plant, and equipment are considered cash-generating where their primary objective is to generate a commercial return through the provision of goods and/or services to external parties. TRC Group's primary objective from its non-financial assets is to achieve the regeneration objectives set out in its Statement of Intent.

Non-cash-generating assets

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs to sell and value in use. Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where TRC Group would, if deprived of the asset, replace its remaining future economic benefit or service potential.
If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For assets not carried at a revalued amount, the total impairment loss (or reversal of impairment loss, if any) is recognised in the surplus or deficit.

Creditors and Other Payables

Short-term creditors and other payables are recorded at their face value.

Employee Entitlements

Short-term employee entitlements

Employee benefits expected to be settled within 12 months of reporting date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to reporting date and annual leave earned to but not yet taken at balance date. A liability and an expense are recognised for bonuses where TRC Group has a contractual obligation or where there is a past practice that has created a constructive obligation.

Presentation of employee entitlements

Annual leave expected to be settled within 12 months of reporting date is classified as a current liability.

Financial Instruments

TRC Group classifies all its financial assets and liabilities at amortised cost under the accounting standard PBE IFRS 41 *Financial Instruments* on the basis that these financial instruments are non-derivative and constitute solely payments of principal and interest and the asset (or liability) are held to collect (or settle via) cash flows.

TRC Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by TRC Group is recognised as a separate asset or liability.

TRC Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Significant Accounting Policies (cont'd)

Income Tax

These prospective financial statements have been prepared on the basis that all entities in the TRC Legal Group are tax exempt in accordance with the Taxation Amendment Act 2019.

Goods and Services Tax

All TRC items in the financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST inclusive basis. All THA items are presented inclusive of GST as THA is exempt from GST. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The net amount of GST recoverable from or payable to the IRD is included as part of the receivables or payables in the statement of financial position. The net GST paid to or received from the IRD including the GST relating to investing and financing activities, is classified as a net operating cash flow in the prospective statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- accumulated surplus/(deficit); and
- capital.

Critical Accounting Estimates and Assumptions

In preparing these prospective financial statements, TRC Group has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimating useful lives and residual values of property, plant, and equipment

At each balance date, the useful lives and residual values of property, plant and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires a number of factors to be considered, such as the physical condition of the asset, expected period of use of the asset by TRC Group and expected disposal proceeds from the future sale of the asset.

Critical Accounting Judgements

A critical accounting judgement made in the preparation of these prospective financial statements is that THALP is acting as an agent (tenancy and property manager) for TRL. A 'deed of lease and appointment of property manager' agreement sets out the roles and responsibilities between THALP and TRL. THALP is essentially providing a tenancy and property management service to TRL in return for a management fee. In March 2019, TRL and THALP signed a new deed of lease (replacing the lease entered into in December 2017) which sets out that THALP will receive a per property per week management fee. Under both the old and new deeds of lease, THA receives a per property per week management fee.

TRL under both the old and the new deed of lease is entitled to the full rental income collected by THALP and must pay for the full property maintenance costs.

Critical Accounting Judgements (cont'd)

Factors that indicate THALP is acting as a principal
THALP is a Community Housing Provider (CHP) and is registered as a social housing landlord per CHP regulations. THALP therefore has the relationship with the Ministry of Social Development and the Ministry of Housing and Urban Development (HUD) from October 2018, with regards to charging and collecting the IRRS subsidy and letting of tenants through the MSD application and vacancy process. Any obligations arising under the CHP regulations are the responsibility of THALP. THALP is also party to the tenancy agreement with the social housing tenants and THALP makes the decisions regarding who to accept as a tenant. THALP also bears the credit risk under the new deed of lease.

Factors that indicate THALP is acting as an agent
TRL is the asset owner and is responsible for funding and making the decisions regarding the maintaining of the properties, a significant portion of which is outsourced to a separate facilities management company. TRL has influence over the tenancy term with its ability to give notice to remove a property from the deed of lease. TRL also bears tenant occupancy risk from the subleasing arrangement.

Management have determined that on balance, THALP is acting as an agent for TRL and is carrying out its aforementioned duties on behalf and for TRL.

Assumptions, Risks and Uncertainties Underlying the Prospective Financial Statements

The prospective financial statements are unaudited. The main assumptions underlying the prospective figures are as follows:

- Operating costs are based on historical experience and forecast costs based on TRC Legal Group's business plan.
- The following economic assumptions will eventuate:

Assumption (source: Treasury)	Level of uncertainty	Risk	Financial impact
Average change in CPI: +2%	Moderate	That actual inflation is higher than forecast inflation	Movements in market prices will impact TRC Group's operating costs as well as interest income.

The actual results achieved for the period covered by the prospective figures are likely to vary from actual results for the financial year 2026 and these variances could be material. Factors that could lead to material differences between the prospective financial statements and the 2026 actual financial statements, in addition to the sources of uncertainty mentioned above, include decisions being made that alter the assumptions made above.

TRC's operating expenditure is funded in the short-term through intercompany advances and dividends from its subsidiary, Tāmaki Regeneration Limited (TRL). Dividends are subject to an Entitled Persons Consent or Ministerial waiver of the Crown's right to receive dividends from TRL. The Crown holds all the preference shares in TRL, whereas TRC holds all the ordinary shares in TRL.

Tāmaki Regeneration Limited
Statement of Prospective Comprehensive Revenue and Expense (Unaudited)
For the year ending 30 June 2027

	2027 Prospective Unaudited $000's	2026 Prospective Unaudited $000's
Revenue		
Development sales	9,261	(1,995)
Sales of shared ownership properties	59,813	2,654
Income-related rent subsidies	58,537	57,273
Rental income from tenants	25,087	24,493
Other	1,542	1,667
Total revenue	**154,240**	**84,092**
Expenditure		
Consultants and professional fees	2,392	1,850
Management fee expense	15,005	13,763
Inventory costs	99,313	3,652
Development cost of goods sold	14,261	(9,925)
Repairs and maintenance	27,135	25,496
Utilities and insurance	16,321	15,301
Legal expenses	60	257
Other expenses	1,581	702
Total expenditure	**176,068**	**51,096**
EBITDAF*	(21,828)	32,996
Depreciation	41,208	49,200
EBIT	(63,036)	(16,204)
Interest income	3,586	3,196
Net interest income	**3,586**	**3,196**
(Deficit) for the year	(59,450)	(13,008)
Total comprehensive revenue and expense	(59,450)	(13,008)

*Earnings before interest, taxation, depreciation, amortisation and fair value adjustments.

Tāmaki Regeneration Limited
Statement of Prospective Financial Position (Unaudited)
As at 30 June 2027

	2027 Prospective Unaudited $000's	2026 Prospective Unaudited $000's
Assets		
Current assets		
Cash and cash equivalents	165,572	102,710
Trade and other receivables	22,554	3,472
GST receivable	2,622	2,622
Inventories	235,799	267,148
Total current assets	**426,547**	**375,952**
Non-current assets		
Property, plant and equipment	2,726,234	2,643,030
Shared ownership investments	23,179	7,874
Total non-current assets	**2,749,413**	**2,650,904**
Total assets	**3,175,960**	**3,026,856**
Liabilities		
Current liabilities		
Creditors and other payables	(12,014)	(7,460)
Total current liabilities	(12,014)	**(7,460)**
Total liabilities	(12,014)	**(7,460)**
Net assets	**3,163.946**	**3,019,396**
Equity		
Ordinary shares - TRC Parent	0	0
Preference shares - Crown	2,559,509	2,346,509
Revaluation reserve	1,006,363	1,006,363
Accumulated (deficit)	(401,926)	(333,476)
Total equity	**3,163,946**	**3,019,396**

For and on behalf of the Board who authorise the issue of the financial statements on 30 June 2026.

Evan Davies
Board Chair
30 June 2026

Madhavan Raman
Director

30 June 2026

Tāmaki Regeneration Limited
Statement of Prospective Changes in Equity (Unaudited)
For the year ending 30 June 2027

	Contributed capital 2027 Prospective Unaudited $000's	Revaluation reserve 2027 Prospective Unaudited $000's	Accumulated (deficit) 2027 Prospective Unaudited $000's	Total 2027 Prospective Unaudited $000's
Balance at 1 July	2,346,509	1,006,363	(333,476)	3,019,396
Total comprehensive revenue and expense				
(Deficit) for the year	0	0	(59,450)	(59,450)
Other comprehensive revenue and expense	0	0	0	0
Total comprehensive income	0	0	(59,450)	(59,450)
Owners' transactions				
Capital contribution	213,000	0	0	213,000
Dividends paid	0	0	(9,000)	(9,000)
Total contributions and distributions	213,000	0	(9,000)	204,000
Balance at 30 June	2,559,509	1,006,363	(401,926)	3,163,946

	Contributed capital 2026 Prospective Unaudited $000's	Revaluation reserve 2026 Prospective Unaudited $000's	Accumulated (deficit) 2026 Prospective Unaudited $000's	Total 2026 Prospective Unaudited $000's
Balance at 1 July	2,046,509	1,006,363	(312,968)	2,739,904
Total comprehensive revenue and expense				
(Deficit) for the year	0	0	(13,008)	(13,008)
Net Revaluation Reserve movements	0	0	0	0
Total comprehensive income	0	0	(13,008)	(13,008)
Owners' transactions				
Capital contribution	300,000	0	0	300,000
Dividends paid	0	0	(7,500)	(7,500)
Total contributions and distributions	300,000	0	(7,500)	292,500
Balance at 30 June	2,346,509	1,006,363	(333,476)	3,019,396

Tāmaki Regeneration Limited
Statement of Prospective Cash Flows (Unaudited)
For the year ending 30 June 2027

	2027 Prospective Unaudited $000's	2026 Prospective Unaudited $000's
Cash flows from operating activities		
Receipts from development sales	9,261	(1,995)
Receipts from shared home ownership sales	59,813	2,654
Rental income from tenants	25,087	24,852
Income-related rent subsidies	58,537	57,273
Other revenue received	1,542	781
Management fee paid	(15,005)	(13,763)
Payments to suppliers	(62,016)	(54,105)
Net cash flow from operating activities	77,219	15,697
Cash flow from investing activities		
Purchase of freehold land and rental properties	(206,638)	(304,636)
Purchase of Shared ownership assets	(15,305)	993
Net cash flow from investing activities	(221,943)	(303,643)
Cash flow from financing activities		
Interest received	3,586	3,196
Dividend paid to TRC	(9,000)	(7,500)
Preference share drawdown	213,000	300,000
Net cash flow from financing activities	207,586	295,696
Net increase in cash and cash equivalents	62,862	(7,750)
Cash and cash equivalents at the beginning of the year	102,710	94,960
Cash and cash equivalents at the end of the year	165,572	102,710

Tāmaki Regeneration Limited
Reconciliation of deficit to net cash flows from operating activities (Unaudited)
For the year ending 30 June 2027

	2027 Prospective Unaudited $000's	2026 Prospective Unaudited $000's
(Deficit) for the year	**(59,450)**	**(13,008)**
Adjustments for:		
Funding costs	(3,586)	(3,196)
Depreciation	41,208	49,200
Other non cash entries:		
COGS - SHO	99,313	3,652
COGS – Non-KO Sales	14,261	0
Net Inventory Write-down Expense	0	(9,925)
Gain/Loss of Shared Ownership Interest	0	(55)
GST Clearing	0	2,537
Changes in:		
Trade and other creditors	(14,527)	(13,108)
Trade and other receivables	0	(400)
Net cash from operating activities	**77,219**	**15,697**

Statement of Accounting Policies

Reporting Entity
These prospective financial statements are for Tāmaki Regeneration Limited (TRL). TRL has determined that it is a public benefit entity (PBE) for financial reporting purposes. TRL is domiciled and operates in New Zealand. These prospective financial statements were approved by the Board on 30 June 2026.

TRL has prepared separate prospective financial statements as it is not part of the Tāmaki Redevelopment Company Limited Group (TRC Group). TRC Group's prospective financial statements are presented separately on page 26 to 35 of this document.

TRC Group comprises the parent entity Tāmaki Redevelopment Company Limited (TRC Parent) and its two subsidiaries Tāmaki Housing Association Limited Partnership (THALP) and THA GP Limited (THAGP). TRL cannot be included in the TRC Group's financial statements due to Crown (rather than TRC Parent) controlling TRL. This document also presents separately, on pages 47 to 52, an aggregated set of prospective financial statements of the Tāmaki Redevelopment Company Limited Legal Group (which comprises of TRC Group and TRL) that do not comply with generally accepted accounting practice in New Zealand (NZ GAAP). Such an aggregation has to be treated as a non-GAAP set of financial statements as it is not acceptable under PBE IPSAS 35 *Consolidated Financial Statements* to consolidate TRL into TRC Group.

Prospective Financial Statements
These prospective financial statements have been prepared for the express purpose of meeting legislative requirements set out under the Crown Entities Act 2004 and the use of these statements for any other purpose may not be appropriate. The description of the principal activities and current operations of TRL including those activities and operations expected to be undertaken during the period covered by these prospective financial statements are outlined in the strategic priorities section of this document. The actual financial results achieved for the year ending 30 June 2026 are likely to vary from these prospective financial statements and the variations could be material.

Basis of Preparation
The prospective financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the year.

Statement of Compliance
The prospective financial statements of TRL have been prepared in accordance with the requirements of the Public Finance Act 1989 and the Crown Entities Act 2004, which includes the requirement to comply with NZ GAAP. TRL is a large PBE as defined by the External Reporting Board. For that reason, TRL has prepared its financial statements in accordance with Tier 1 PBE accounting standards.

Functional and Presentation Currency
The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000). The functional currency of TRC is New Zealand dollars (NZ$).

Significant Accounting Policies

Revenue from Exchange Transactions

Exchange revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to TRL and the revenue can be reliably measured, regardless of when the payment is being made. The specific accounting policies for significant revenue items are explained below:

Receipts from land disposals

TRL disposes of land to one off purchasers, as well as whanau approved under the TRL shared ownership programme. Receipts are recognised when the risks and rewards are transferred to the purchaser.

Rental income from tenants

Income from tenants on market rent is recognised on a straight-line basis over the rental term.

Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions is recognised only when TRL obtains control of the transferred asset (cash) and the transfer is free from conditions to refund or return the asset if the conditions are not fulfilled.

Rental income from tenants and income-related rent subsidies

Rental income from tenants who are not on market rent and income-related rent subsidies are recognised on a straight-line basis over the rental term.

Receivables

Short-term receivables are recorded at face value, less any expected credit losses. TRL applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. The allowance for credit losses for tenant debtors is based on tenant debt more than ninety days overdue. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Inventories

Inventories are measured at cost upon initial recognition or carrying amount at the time of transfer to inventories for items previously classified as property, plant, and equipment. To the extent that inventories were received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventories are its fair value at the date of acquisition. Given that all property, plant, and equipment is revalued annually, the fair value is usually approximated as the book value on transfer of the property, plant, and equipment to inventory. After initial recognition, inventories are measured at the lower of cost and net realisable value.

Property, Plant, and Equipment

Property, plant, and equipment consist of the following asset classes: freehold land, rental properties and capital work in progress. All asset classes are measured at cost, less accumulated depreciation and impairment losses. The exception is land and buildings transferred from Kāinga Ora back in 2016 which were initially recognised at cost and subsequently measured at fair value. Investment in joint operations has been classified as PPE as the property is held for a social service and/or strategic purpose.

Property, Plant, and Equipment (cont'd)

Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to TRL and the cost of the item can be measured reliably. Capital work in progress is recognised at cost less impairment and is not depreciated. In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at its fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net of revenue less expenses in the statement of comprehensive revenue and expense. Land and buildings are disposed when a shared home ownership property is purchased by a third party and the control is transferred from TRL. Land is disposed when it is transferred to the developer as part of settlement at the end of the project. Properties are disposed when they are demolished for land development for new buildings.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to TRL and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in surplus or deficit as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on rental properties at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives of rental properties are determined by the date they are scheduled to be demolished for redevelopment. The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Subsequent measurement

Freehold land and rental properties are valued, on a class basis, to fair value. Fair value is determined by reference to market-based evidence and is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Independent valuations are performed annually to ensure that the carrying amount does not differ materially from the asset's fair value at the balance date.

Any revaluation surplus is recognised in the asset revaluation reserve in other comprehensive revenue and expense, except to the extent that it offsets a previous revaluation deficit for the same asset class, that was recognised in surplus or deficit for the year. Therefore, the surplus is recognised in surplus or deficit for the year. On revaluation, accumulated depreciation is eliminated against the gross carrying amount of the asset.

An item of property is derecognised upon disposal. Upon disposal any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. Any gain or loss arising on derecognition of an asset is included in surplus or deficit for the year. The gain or loss on derecognition is calculated as the difference between the net disposal proceeds and the carrying amount of the item.

Impairment of Property, Plant, and Equipment

TRL does not hold any cash-generating property, plant, and equipment. Property, plant, and equipment are considered cash-generating where their primary objective is to generate a commercial return through the provision of goods and/or services to external parties. TRL's primary objective from its non-financial assets is to provide state housing as set out in its Statement of Intent.

Non-cash-generating assets

Property, plant, and equipment that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where TRL would, if deprived of the asset, replace its remaining future economic benefit or service potential. If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For assets not carried at a revalued amount, the total impairment loss (or reversal of impairment loss, if any) is recognised in surplus or deficit.

Creditors and Other Payables

Short-term creditors and other payables are recorded at their face value.

Financial Instruments

TRL classifies its investment in shared ownership properties at fair value through surplus or deficit under PBE IFRS 41 Financial Instruments on the basis that they do not constitute solely payments of principal and interest. Shared ownership properties are purchased from TRL with TRL retaining a portion of equity interest in the property until 100% has been paid by the third party. The timing of the repayments from the shared homeowner relates to whanau's household savings or their ability to refinance their mortgage.

TRL classifies all other financial assets and liabilities at amortised cost under PBE IPSAS 41 Financial Instruments on the basis that these financial instruments are non-derivative and constitute solely payments of principal and interest and the asset (or liability) are held to collect (or settle via) cash flows.

TRL derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that are created or retained by TRL is recognised as a separate asset or liability.

TRL derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Income Tax

The prospective financial statements have been prepared on the basis that all entities in the TRC Legal Group are tax exempt in accordance with the Taxation Amendment Act 2019.

Goods and Services Tax

All items in the prospective financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the prospective statement of financial position. The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the prospective statement of cash flows. Commitments and contingencies are disclosed inclusive of GST.

Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- accumulated surplus/(deficit); and
- revaluation reserve; and
- preference shares

Critical Accounting Estimates and Assumptions

In preparing these prospective financial statements, TRL has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimating fair value, useful lives and residual values of property, plant, and equipment

At each balance date, the fair values, useful lives and residual values of property, plant, and equipment are reviewed. The most recent valuation of freehold land and rental properties was performed by an independent registered valuer, Quotable Value Limited. The valuation was effective as at 30 June 2025. Fair value, using market-based evidence is based on the highest and best use of the freehold land and rental properties, with reference to comparative sales values. There are no restrictions on the ability of TRL to sell freehold land and rental properties. Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires consideration of a number of factors, such as the physical condition of the asset, expected period of use of the asset by TRL and expected disposal proceeds from the future sale of the asset.

Derecognition of freehold land

At each balance date, we estimate the value of land to be derecognised through preference shares with the final value determined at completion of the project. Shared home ownership land is derecognised through preference shares when it is are 100% settled.

Critical Accounting Judgements

A critical accounting judgement made in the preparation of these prospective financial statements is that THALP is acting as an agent (tenancy and property manager) for TRL. A 'deed of lease and appointment of property manager' agreement sets out the roles and responsibilities between THALP and TRL. THALP is essentially providing a tenancy and property management service to TRL in return for a management fee. In March 2019, TRL and THALP signed a new deed of lease. Under both the old and new deeds of lease, THALP receives a per property per week management fee. TRL under both the old and the new deed of lease is entitled to the full rental income collected by THALP and must pay for the full property maintenance costs.

Factors that indicate THALP is acting as a principal

THALP is a Community Housing Provider (CHP) and is registered as a social housing landlord per CHP regulations. THALP therefore has the relationship with the Ministry of Social Development and the Ministry of Housing and Urban Development (HUD) from October 2018, with regards to charging and collecting the IRRS subsidy and letting of tenants through the MSD application and vacancy process. Any obligations arising under the CHP regulations are the responsibility of THALP. THALP is also party to the tenancy agreement with the social housing tenants and THALP makes the decisions regarding who to accept as a tenant. THALP also bears the credit risk under the new deed of lease.

Factors that indicate THALP is acting as an agent

TRL is the asset owner and is responsible for funding and making the decisions regarding the maintaining of the properties, a significant portion of which is outsourced to a separate facilities management company. TRL has influence over the tenancy term with its ability to give notice to remove a property from the deed of lease. TRL also bears tenant occupancy risk from the subleasing arrangement. Management have determined that on balance, THALP is acting as an agent for TRL and is carrying out its aforementioned duties on behalf and for TRL.

Assumptions, Risks and Uncertainties Underlying the Prospective Financial Statements

The prospective financial statements are unaudited. The main assumptions underlying the prospective figures are as follows:

- Operating costs are based on historical experience and forecast costs based on TRC Legal Group's business plan.
- The following economic assumptions will eventuate:

Assumption (source: Treasury)	Level of uncertainty	Risk	Financial impact
Average change in CPI: +2%	Moderate	That actual inflation is higher than forecast inflation	Movements in market prices will impact TRL's operating costs as well as interest income.

The actual results achieved for the period covered by the prospective figures are likely to vary from actual results for the financial year 2026, and these variances could be material.

Factors that could lead to material differences between the prospective financial statements and the 2026 actual financial statements, in addition to the sources of uncertainty mentioned above, include decisions being made that alter the assumptions made above.

Tāmaki Redevelopment Company Limited Legal Group
Statement of Prospective Comprehensive Revenue and Expense
For the year ending 30 June 2027

	2027 Prospective Unaudited $000's	2026 Prospective Unaudited $000's
Revenue		
Development sales	9,261	(1,995)
Sales of shared ownership properties	59,813	2,654
Rental income from tenants	25,087	24,493
Income-related rent subsidies	58,537	57,273
Other income	1,549	1,673
Total revenue	**154,247**	**84,098**
Expenditure		
Personnel costs	17,557	15,083
Inventory costs	99,313	3,652
Development cost of goods sold	14,261	(9,925)
Contractors and temporary staff	109	84
Directors' fees	608	322
Legal expense	791	357
Repairs and maintenance	27,198	25,518
Consultants and professional fees	4,524	3,700
Utilities and insurance	16,431	15,401
Other expenses	7,294	5,488
Total expenditure	**188,086**	**59,680**
EBITDAF	(33,839)	24,418
Depreciation	(41,242)	(49,249)
Total depreciation, amortisation and fair value adjustments	**(41,242)**	**(49,249)**
EBIT	(75,081)	(24,831)
Interest income	3,766	3,433
Net interest income	**3,766**	**3,433**
(Deficit) for the year	(71,315)	(21,398)
Total comprehensive revenue and expense	(71,315)	(21,398)

Tāmaki Redevelopment Company Limited Legal Group
Statement of Prospective Financial Position
As at 30 June 2027

	2027 Prospective Unaudited $000's	2026 Prospective Unaudited $000's
Assets		
Current assets		
Cash and cash equivalents	175,266	112,404
Trade and other receivables	6,433	6,433
GST receivable	2,575	2,575
Inventories	235,799	267,148
Total current assets	**420,073**	**388,560**
Non-current assets		
Property, plant and equipment	2,726,300	2,621,204
Shared ownership investments	23,179	7,874
Total non-current assets	**2,749,479**	**2,629,078**
Total assets	**3,169,552**	**3,017,638**
Liabilities		
Current liabilities		
Creditors and other payables	(13,238)	(24,935)
Annual leave liability	(531)	(531)
Total current liabilities	**(13,769)**	**(25,466)**
Total liabilities	**(13,769)**	**(25,466)**
Net assets	**3,155,783**	**2,992,172**
Equity		
Ordinary shares - Crown	5,000	5,000
Ordinary shares - Auckland Council	3,500	3,500
Preference shares - Crown	2,559,509	2,323,583
Revaluation reserve	1,006,363	1,006,363
Accumulated (deficit)	(418,589)	(346,274)
Total equity	**3,155,783**	**2,992,172**

For and on behalf of the Board who authorise the issue of the financial statements on 30 June 2026.

Evan Davies	Madhavan Raman
Board Chair	Director
30 June 2026	30 June 2026

Tāmaki Redevelopment Company Limited Legal Group
Statement of Prospective Changes in Equity
For the year ending 30 June 2027

	Contributed Capital 2027 Prospective Unaudited $000's	Revaluation Reserve 2027 Prospective Unaudited $000's	Accumulated (deficit) 2027 Prospective Unaudited $000's	Total 2027 Prospective Unaudited $000's
Balance at 1 July	2,355,009	1,006,363	(347,274)	3,014,098
Total comprehensive revenue and expense				
(Deficit) for the year	0	0	(71,315)	(71,315)
Other comprehensive revenue and expense	0	0	0	0
Total comprehensive income	**0**	**0**	**(71,315)**	**(71,315)**
Owners' transactions				
Capital contribution	213,000	0	0	213,000
Repayment of capital	0	0	0	0
Total contributions and distributions	**213,000**	**0**	**0**	**213,000**
Balance at 30 June	2,568,009	1,006,363	(418,589)	3,155,783

	Contributed Capital 2026 Prospective Unaudited $000's	Revaluation Reserve 2026 Prospective Unaudited $000's	Accumulated (deficit) 2026 Prospective Unaudited $000's	Total 2026 Prospective Unaudited $000's
Balance at 1 July	2,055,009	1,006,363	(325,876)	2,735,496
Total comprehensive revenue and expense				
(Deficit) for the year	0	0	(21,398)	(21,398)
Net Revaluation Reserve movements	0	0	0	0
Total comprehensive income	**0**	**0**	**(21,398)**	**(21,398)**
Owners' transactions				
Capital contribution	300,000	0	0	300,000
Repayment of capital	0	0	0	0
Total contributions and distributions	**300,000**	**0**	**0**	**300,000**
Balance at 30 June	2,355,009	1,006,363	(347,274)	3,014,098

Tāmaki Redevelopment Company Limited Legal Group
Statement of Prospective Cash Flows
For the year ending 30 June 2027

	2027 Prospective Unaudited $000's	2026 Prospective Unaudited $000's
Cash flows from operating activities		
Receipts from development sales	9,261	(1,995)
Receipts from shared home ownership sales	59,813	2,654
Rental income from tenants	25,087	24,387
Income-related rental subsidy	58,537	57,273
Other revenue received	1,549	629
Payments to suppliers	(68,651)	(57,319)
Payments to employees	(17,557)	(14,915)
Net cash flow from operating activities	**68,039**	**10,714**
Cash flow from investing activities		
Purchase of property, plant and equipment	(206,638)	(304,668)
Purchase of shared ownership assets	(15,305)	993
Net cash flow from investing activities	**(221,943)**	**(303,675)**
Cash flow from financing activities		
Interest received	3,766	3,433
Preference share drawdown	213,000	300,000
Net cash flow from financing activities	**216,766**	**303,433**
Net increase in cash and cash equivalents	**62,862**	**10,472**
Cash and cash equivalents at the beginning of the year	112,404	101,932
Cash and cash equivalents at the end of the year	**175,266**	**112,404**

Tāmaki Redevelopment Company Limited Legal Group
Notes to the Prospective Financial Statements (Unaudited)
For the year ending 30 June 2027

REPORTING ENTITY

These prospective financial statements are for the Tāmaki Redevelopment Company Legal Group (TRC Legal Group) which comprises of:

- Tāmaki Regeneration Limited (TRL); and
- Tāmaki Redevelopment Company Limited Group (TRC Group) which further comprises of the parent Tāmaki Redevelopment Company Limited (TRC Parent) and its two subsidiaries Tāmaki Housing Association Limited Partnership (THALP) and THA GP Limited (THAGP).

The prospective financial statements for the TRC Legal Group are the aggregated prospective financial statements of TRC Group & TRL, each of which have been included separately as part of this document.

BASIS OF PREPARATION

The prospective financial statements of the TRC Legal Group are a non-GAAP aggregated set of prospective financial statements. TRC Group consists of TRC Parent, THALP and THAGP. As TRC Parent controls THALP and THAGP it is required by NZ GAAP to consolidate THALP and THAGP into the TRC Group. The Directors of TRC Parent note that while TRC Parent holds 100% of the ordinary shares of TRL, the Crown holds 100% of the preference shares in TRL. The rights and obligations attached to the preference shares result in the Crown having control of TRL, meaning that it is inconsistent with NZ GAAP to consolidate TRL into TRC Group. The Directors of TRC Parent wish to present a view of the forecast financial position of TRC Legal Group and its prospective results for the year ended 30 June 2026 in one set of prospective financial statements. Such a presentation has to be treated as a non-GAAP set of prospective financial statements as it is not acceptable under PBE IPSAS 35 *Consolidated and Separate Financial Statements* to consolidate TRL into TRC Group.

The most appropriate way to describe and present such a set of prospective financial statements is as a non-GAAP aggregation. These prospective financial statements have been clearly marked as a non-GAAP aggregation. They have been prepared on a going concern basis. These prospective financial statements have applied the same accounting policies that TRC Group and TRL have applied as set out in their own prospective financial statements within this document. The accounting policies have been applied consistently throughout the period.

The notes to these financial statements are limited to the Statement of Accounting Policies. Aggregated TRC Group & TRL note disclosures are not included in these financial statements and are instead individually set out in the notes to the financial statements of TRC Group and TRL included within this document.

Statement of compliance

The prospective financial statements of TRC Legal Group have not been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). This is because NZ GAAP, specifically PBE IPSAS 35 *Consolidated and Separate Financial Statements* does not allow the consolidation of TRL into TRC Group, as the Crown rather than the TRC Parent controls TRL. All other PBE Accounting Standards have been complied with.

The TRC Legal Group's aggregate of TRC Group & TRL's prospective financial statements (non-GAAP) have been prepared in accordance with Tier 2 PBE accounting standards, which allows reduced disclosures.

Functional and presentation currency

The aggregate TRC Group & TRL prospective financial statements (non-GAAP) are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000). The functional currency of TRC Legal Group is New Zealand dollars (NZ$).

Significant accounting policies

The significant accounting policies of TRC Legal Group are materially the same as the accounting policies used in the preparation of the prospective financial statements of TRC Group and TRL.