



23 MAY 2018

Dear [REDACTED]

On 29 March 2018 you emailed the Ministry requesting, under the Official Information Act 1982, information regarding the Ministry's purchase and lease of motels for the provision of transitional housing.

The Ministry recognises that using motels as transitional housing is not a suitable long-term accommodation solution. However, New Zealand's housing market is under increasing pressure as the need for housing continues to exceed the amount available. Although initiatives are underway to increase the supply of public housing, these places take time to deliver and immediate measures are needed to address the pressure on the housing market. Therefore, while the long term, permanent supply is sourced, immediate housing needs will be met through transitional housing, including contracted motels.

For clarity your questions are answered in turn.

- I require the number of motels purchased by the Ministry of Social Development for the purpose of temporary accommodation provision. Could you please provide the name and region of each motel, the date each motel was purchased, and the cost of purchasing each motel.*

Table 1 below details the motels purchased by the Ministry as at 13 April 2018, the settlement date and cost, broken down by region.

Region	Motel name	Settlement date	Cost (excluding GST)
<b>Auckland</b>	Cimarron Motel	1 December 2016	\$2,650,000
<b>East Coast</b>	Clansman Motor Lodge	29 June 2017	\$1,840,000
	Eastland Motor Lodge	12 June 2017	\$2,150,000
	Napier Garden Motel	30 June 2017	\$1,850,000
<b>West Coast/Tasman</b>	Brydan Accommodation	5 March 2018	\$3,600,000

- I also require the number of motels at which the Ministry has purchased individual motel units. Could you please provide the name and region of each motel, the date each motel unit was purchased, and the cost of purchasing each motel room.*

The Ministry has not purchased individual motel units. As such, your request for this information is refused under section 18(e) of the Act, as this information does not exist.

- *I also require the number of motel units the Ministry is leasing at the time of collecting the information - could you please provide the name and region of each motel, the date each unit was first leased for the current tenant, and the cost per night of each unit.*
- *Does the Ministry hold any contracts with motellers for the purpose of leasing particular units, whether indefinitely or to an end date? Could you provide the name and region of each motel this is true for, the cost of each arrangement and the dates involved?*

The Ministry does not lease individual motel rooms on a per client basis. The Ministry has entered into exclusive use contracts for a number of units within motels. This ensures that in areas of high need, units are consistently available.

The attached table 2 provides the number of motels the Ministry has a contract of this nature with, the number of units in each motel and the contract dates, broken down by region as at 16 April 2018. As these motels are trading in competitive markets, the names of the specific motels are withheld under section 9(2)(b)(ii) of the Act as, if released, this information would be likely to prejudice the commercial position of the motels in question. The need to ensure that the commercial position can be maintained outweighs any public interest in this information. The cost per night of these contracts is withheld under section 9(2)(j) of the Act to enable the Ministry to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). The greater public interest is in ensuring that government agencies can continue to negotiate without prejudice.

- *And does the Ministry have any plans currently to purchase more motels to be used for temporary housing? Could you provide names and regions of motels under consideration?*

The Ministry is considering all options to bring on new transitional housing supply and is currently looking at purchasing motels in Hastings, Wellington and Palmerston North. The names of motels under consideration are withheld under section 9(2)(j) of the Act to enable the Ministry to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

- *And is the Ministry considering purchasing the Commodore Court motel in Blenheim? Does the Ministry already have any interests in this motel?*

The Ministry is not considering purchasing the Commodore Court motel in Blenheim. I cannot comment on whether the Ministry has interest in this motel in order to protect commercial interests.

The principles and purposes of the Official Information Act 1982 under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter available to the wider public

shortly. The Ministry will do this by publishing this letter on the Ministry of Social Development's website. Your personal details will be deleted and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss this response with us, please feel free to contact [OIA\\_Requests@msd.govt.nz](mailto:OIA_Requests@msd.govt.nz).

If you are not satisfied with this response regarding motels purchased by the Ministry for transitional housing, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or 0800 802 602.

Yours sincerely



Scott Gallacher  
**Deputy Chief Executive Housing**

**Table 2: The number of motels the Ministry has exclusive use contracts with, the number of units in each motel and the contract dates, broken down by region as at 16 April 2018.**

Region	Number of motels in region	Number of units per motel	Start date of contract	Finish date of contract
Waikato	3	14	17/07/2017	28/02/2019
		12	17/07/2017	28/02/2019
		9	4/09/2017	28/02/2019
Canterbury	3	8	17/07/2017	28/02/2019
		5	17/07/2017	28/02/2019
		10	17/07/2017	28/02/2019
Bay of Plenty	5	16	17/07/2017	28/02/2019
		3	17/07/2017	28/02/2019
		12	17/07/2017	28/02/2019
		5	17/07/2017	28/02/2019
Northland	2	9	1/10/2017	28/02/2019
		7	8/01/2018	28/02/2019
West Coast	2	6	23/10/2017	28/02/2019
		4	24/01/2018	28/02/2019
Tasman	2	8	17/07/2017	30/04/2018
Central	1	10	5/02/2018	6/08/2018
Southern	2	3	1/03/2018	28/02/2019
		5	19/02/2018	28/02/2019
Wellington	4	9	17/07/2017	30/06/2018
		5	17/07/2017	30/06/2018
		4	21/07/2017	30/06/2018
		9	17/07/2017	30/06/2018
Auckland	17	7	7/08/2017	30/11/2018
		6	7/08/2017	28/02/2019
		12	7/08/2017	28/02/2019
		8	7/08/2017	28/02/2019
		40	7/08/2017	28/02/2019
		10	7/08/2017	28/02/2019
		8	7/08/2017	28/02/2019
		10	7/08/2017	28/02/2019
		15	4/09/2017	28/02/2019
		12	7/08/2017	28/02/2019
		18	28/08/2017	28/02/2019
		21	1/11/2017	28/02/2019
		22	30/10/2017	28/02/2019
		11	22/01/2018	28/02/2019
		11	14/02/2018	28/02/2019
31	26/02/2018	31/08/2018		
East Coast	9	5	1/03/2018	28/02/2019
		15	15/08/2017	30/04/2019
		3	15/08/2017	30/04/2019
		13	15/08/2017	30/04/2019
		15	15/08/2017	30/04/2019
		9	15/08/2017	30/04/2019
		22	4/09/2017	30/04/2019
		9	26/10/2017	30/04/2019
7	26/10/2017	30/04/2019		
4	15/01/2018	30/04/2019		
<b>Total</b>	<b>47</b>	<b>517</b>		