

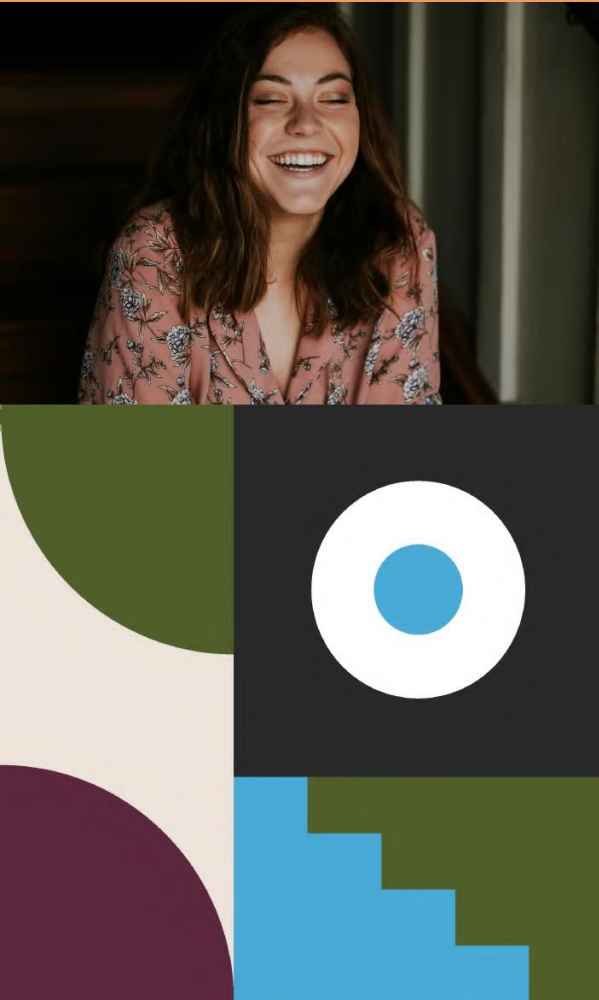


Bay of Plenty Housing Equity Fund

Overview for Future Proof Partnership

June 2026





Established to address the acute shortage of affordable housing across the region.

The Fund has a dual purpose: to enable the delivery of new, relatively affordable homes for households in need, while also providing competitive financial returns to its founding investors.

By aligning social impact with sound financial discipline, the Fund demonstrates that housing outcomes and investor value can be achieved together.



Bay of Plenty
Housing Equity Fund

**BAY
TRUST**

Supporting
Great Communities

[\$10m]



Tauranga City

[\$20m]



TECT

[\$10m]



Rotorua Trust

MŌ TĀTAU KĀTOA
[\$5m]

**TRUST
HORIZON**

[\$5m]

NZGIF / NEW ZEALAND
GREEN INVESTMENT FINANCE

[\$10m]

Financial Objectives

The Fund's financial returns are achieved through a combination of:



Profit margins from housing developments



Income from rents on tenanted homes and interest on loans



Any appreciation of property values over time



Interest, Line, Application and underwriting fees

The Fund is structured to achieve a long-term return of CPI + 4% (pre-tax, net of fees).

Impact Objectives

The Fund's primary impact objectives are to:



Significantly increase housing availability in sectors underserved by the market and government



Boost the provision of affordable housing, ensuring long-term affordability



Provide healthy, secure housing for those struggling to find decent accommodation in the region

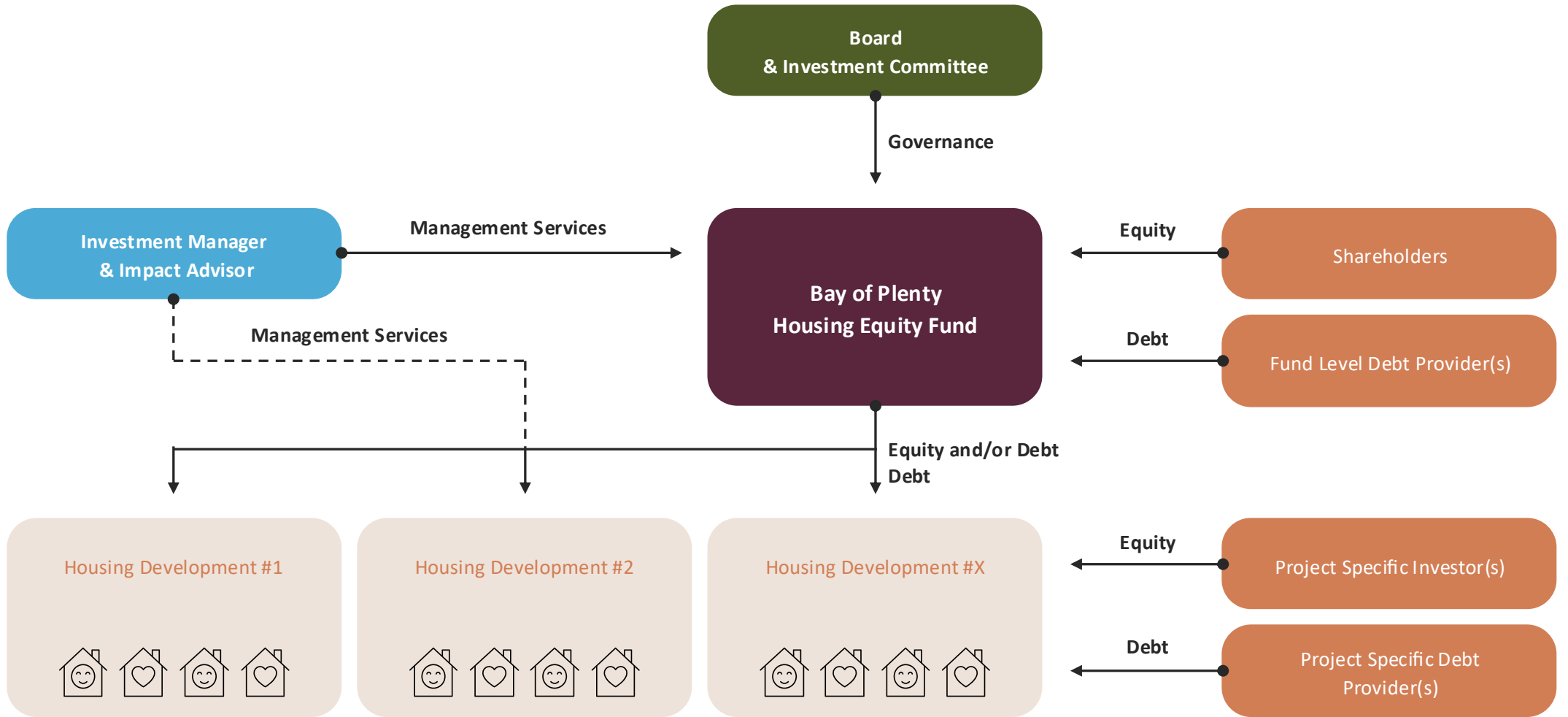


Enhance the living standards of the regions most disadvantaged groups



Grow the Fund's impact and reach by drawing in further investment

Fund Structure



Fund Features



Debt & Equity

The fund takes in equity from investors and debt from banks, and invests both equity and debt into housing projects, providing maximum flexibility.

Attractive Bank Funding

The Fund structure and professional management means debt funding from a major bank can be secured at the Fund level rather than on a project-by-project basis, providing maximum flexibility.

Open-Ended

The limited liability company PIE structure allows for continuous equity capital raising, providing flexibility and scale.

Tax Implications

The limited liability company PIE structure provides an optimal tax treatment for the widest range of investors, enhancing its financial efficiency.

Liquidity Preference

A preference share structure ensures capital invested and recycled is either re-invested within 2 years or returned to the investors in each sub-region.

Location Specific

The Fund enables investments towards particular locations and projects. This targeted approach ensures investments are strategically aligned with regional priorities and developmental needs.

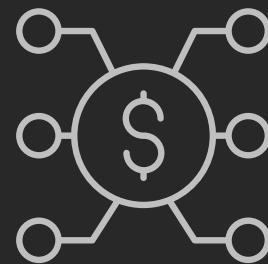
Focus and Future Opportunities

Since Launch:

- Establishing the Fund – including processes and governance structure.
- The BOPHEF is now well known and has a good reputation and reasonable reach.
- The pipeline of good development projects is evident and continues to grow.
- We now have 10 investments approved and the first homes completed and occupied.
- Recognition beyond the BOP with other regions (Taranaki & Otago) looking to establish similar funds.

Next 12 Months:

- Scaling up home completions and starting to see the impact of the Fund come to fruition.
- Increasing the drawdown of debt funding from Kiwibank, which will see lower capital calls in the short term as we balance the equity and debt position of the Fund.
- Continuing to grow the project pipeline and commit to more papakainga projects.
- Looking to raise additional equity as approved projects are now taking up a lot of the committed capital



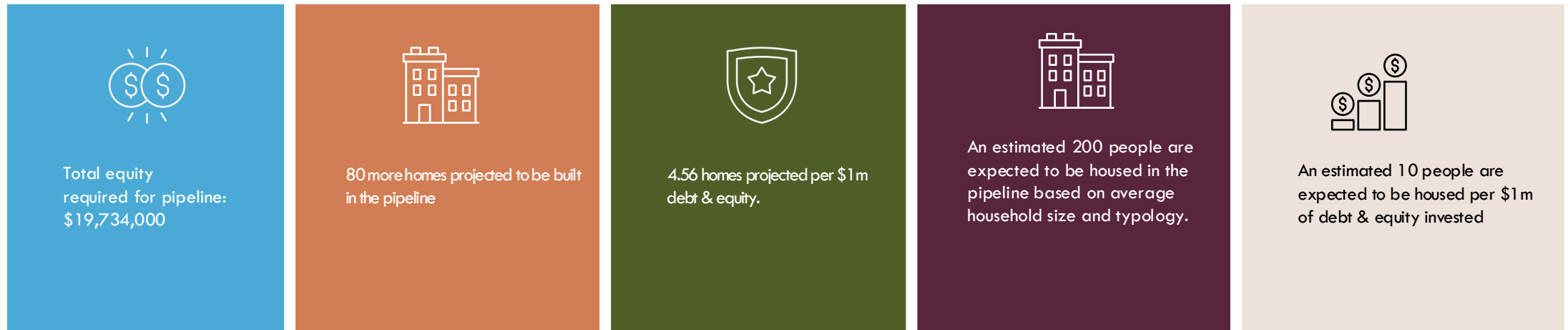
Impact, Portfolio & Pipeline

Impact Dashboard

Metrics across the approved projects:



Metrics across the projects currently in due diligence:



Portfolio Returns vs Benchmark

We present the charts opposite to illustrate the portfolio's performance relative to the Fund's benchmark.

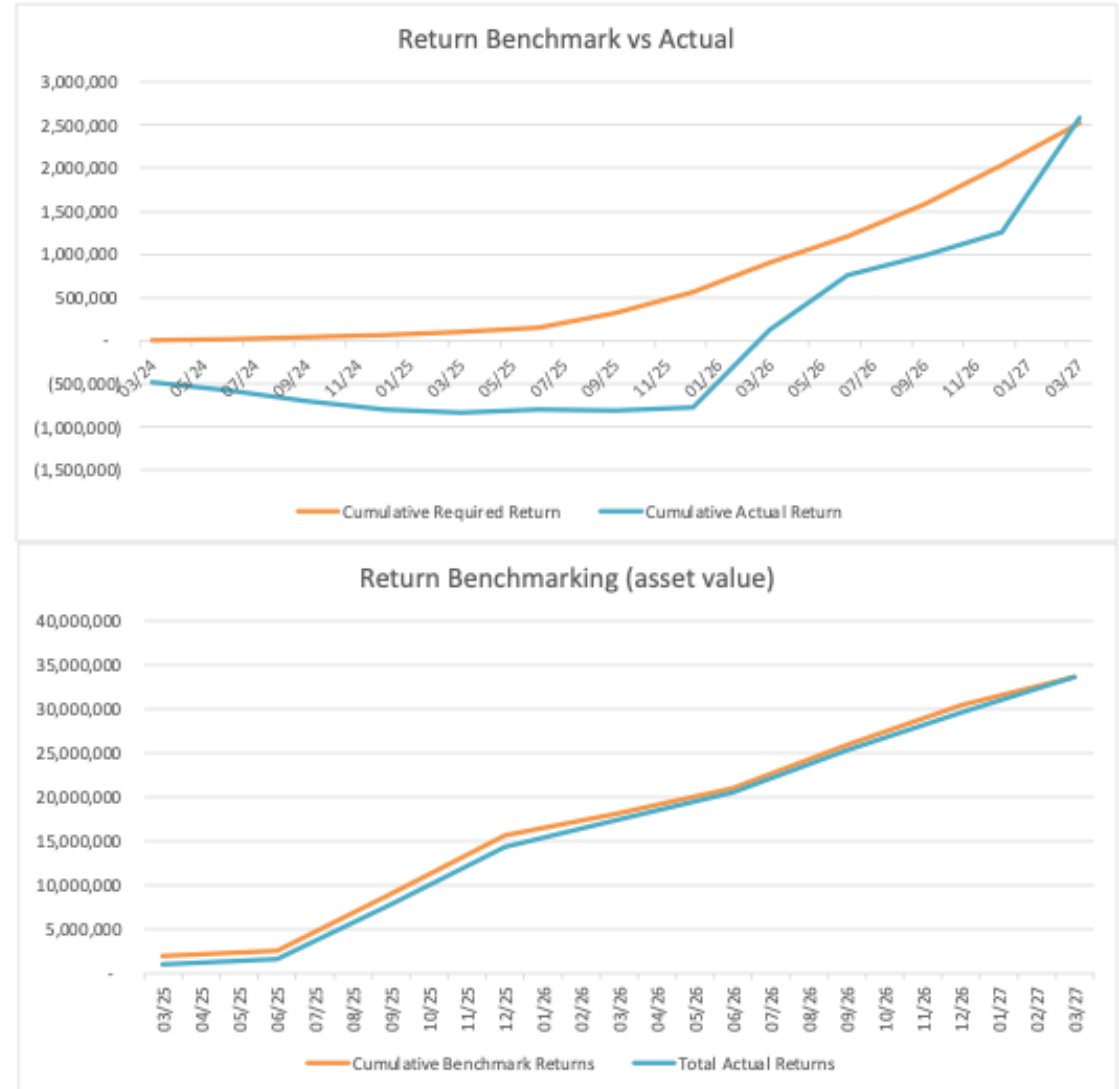
Explanatory Notes:

1. Benchmark vs actual cumulative return

The first chart shows the cumulative required return based on the Fund's benchmark, calculated by inflating actual equity contributions by CPI + 4%. This is compared with the cumulative actual return. We anticipate that by the end of FY27 the cumulative actual return will exceed the benchmark-required return.

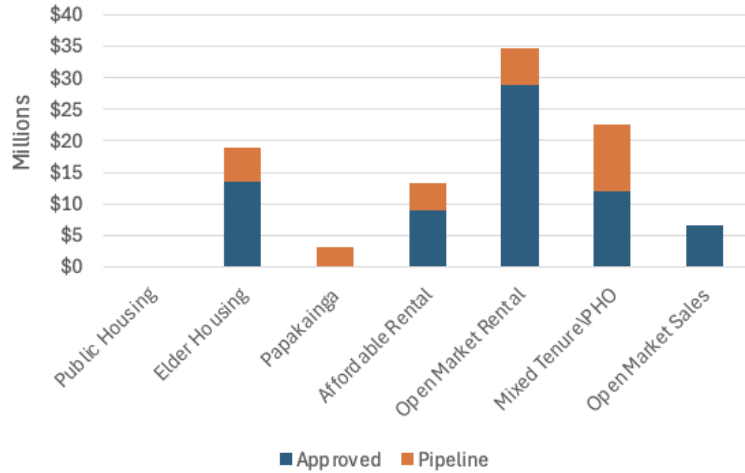
2. Impact at an equity / asset level

The second chart presents a similar comparison but at the equity-per-asset level. This perspective is important because it demonstrates the relative scale of establishment losses in the context of the Fund's overall asset base.

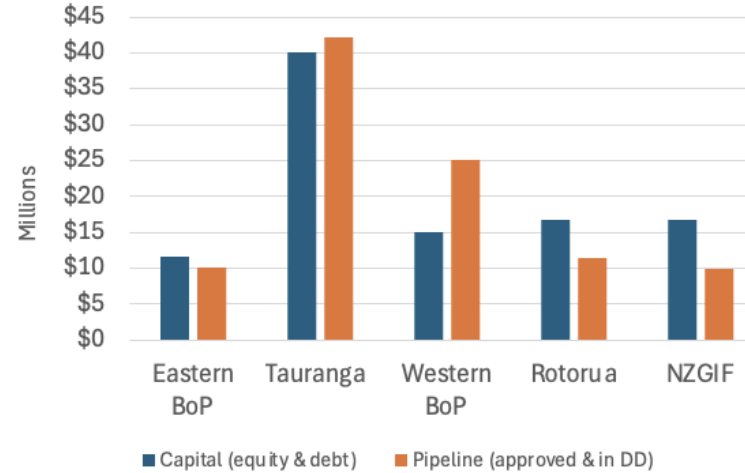


Pipeline Profile

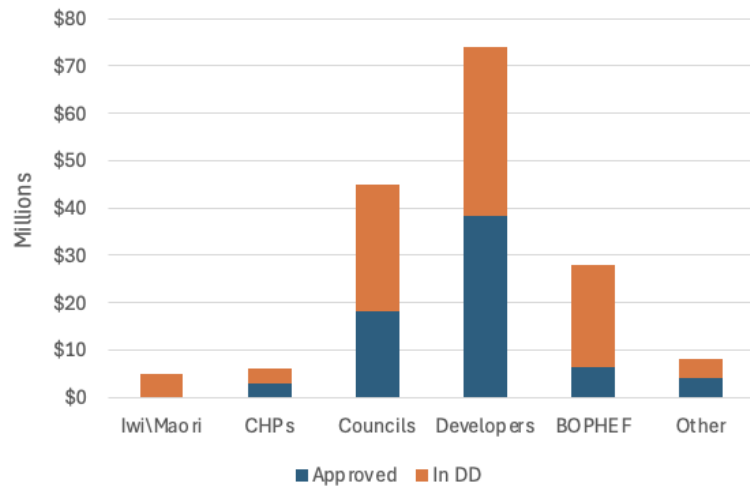
Pipeline by Tenure



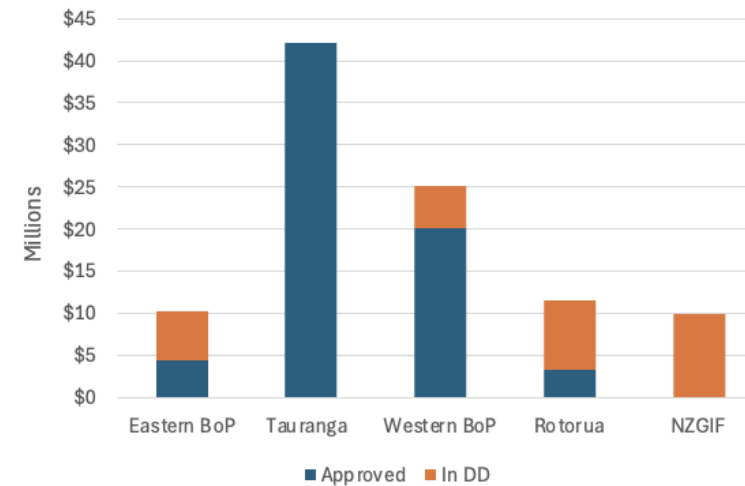
Capital vs Pipeline by Sub-Region



Pipeline by Counterparty



Pipeline by Sub-Region



Project Examples



Investment

\$3.0m equity investment into a joint venture with Tauranga Community Housing Trust.

Balance of funding (\$4.7m) is being funded by CHFA.

Outcomes

Development of 20x 1-bed homes for superannuants or those aged 55+ with chronic health condition/disability.

All residents will be on low fixed incomes, on the housing register, and qualify for subsidised rental (IRRS).

Overall Status

The project is progressing well. Mike Greer encountered more ground issues than expected but these issues are now resolved and we are officially out of the ground.



Investment

Two stage development facility of \$1.3m (then \$1.1m) to D.U.N Group, with the option to roll this to a \$1.4m (and \$1.1m) investment facility post completion.

Outcomes

Stage 1 - development of 14 small units and 1 existing home for affordable rental housing.

Stage 2 – development of 8 affordable 3-bed rental homes, targeted at Māori whānau.

An exposure of ~\$118k per home, enabling affordability in a very challenged market.

Update

Project has run into some minor ground issues on site. This has been worked through, and things are ramping up again. Drawdowns are occurring monthly.



Investment

\$3.5m equity investment into the project, which will be 100% owned by BOPHEF.

Outcomes

Development of 10 rental homes in stage 4 of the wider Te Mania subdivision, being a mix of affordable 2 & 3-bed rental homes.

These 10 section pre-sales got the developer sufficient sales cover to obtain bank funding and proceed with the 41 sections in Stage 4.

Overall Status

While this project is behind schedule due to the land phase delays (due to bad weather), the builder is progressing at pace, and we will have finished homes by the end of next month or early June.

Project Examples



Investment

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Investment

\$3.5m development financing facility to Ette, matched with an underwrite at 90% of the assessed market value.

Outcomes

The combination of the debt financing facility and underwrite enable this project to proceed, otherwise it would be on hold until sufficient pre-sales could be achieved (potentially years away).

The provision of 8 new relatively affordable homes in Tauranga.

Overall Status

The project build is now complete and no properties were sold. Underwrite was called and all 8 properties are being leased as market rentals. 3 leased in first week with viewings continuing weekly.



Investment

Up to \$5.25m development loan to Norfolk for 10 homes at 115 Park Road, Katikati. The facility is for the lesser of \$5.25m or 75% of valuation, on an 18-month term at BKBM + 4.15% (plus line and facility fees), secured by first mortgage. BOPHEF will also provide an underwrite over the 10 homes at 90% of the Fund's assessed value (~\$6.3m).

Outcomes

Delivery of 10 new, good-quality 2 and 3-bedroom homes in a growing Western Bay community. The support from BOPHEF allows the project to proceed without presales and brings forward housing that would likely be delayed. If the underwrite is exercised, the homes will be rented at affordable levels.

Update

Legal documentation is currently being finalised.

Project Examples



Investment

Up to \$4.0m development loan to 299 Levers Road LP (expected \$3.5m), 18-month term at BKBM + 2.5%, secured by first mortgage. On completion, BOPHEF to acquire the 10 homes at 90% of valuation (~\$6.6m) and operate under a license-to-occupy model, with equity of up to \$4.0m (likely \$3.0m).

Outcomes

Ten affordable homes for downsizers and empty nesters in Matua. The LTO model provides secure tenure without retirement village fees, unlocking equity and freeing larger homes for families.

Update

First drawdown Jan 2026, settlements expected late 2026. BOPHEF funding enables delivery of this innovative elder housing solution.



Investment

Stage 1 – \$6.7m development facility alongside an underwrite over 11 homes. Blackridge will cap sales prices to the trailing 12-month local median. If unsold, BOPHEF would acquire the homes under the underwrite and rent them at affordable levels.

Stage 2 – Purchase 15 apartments across three levels, the first apartment product in Ōmokoroa. These will be developed on a cost-plus basis (capped at \$8.7m).

Outcomes

Stage II introduces 15 new apartments, designed as long term affordable rentals under BOPHEF's ownership. As the first three level walk up developments in Omokoroa, it provides a high quality, space efficient typology that broadens housing diversity while responding to local demand.

Update

Preparation of legal documentation is underway.



Investment

Debt funding \$744,679
Equity funding \$1,000,000
TDC: \$1,744,679

All three homes to be 100% owned by the fund for market rentals.

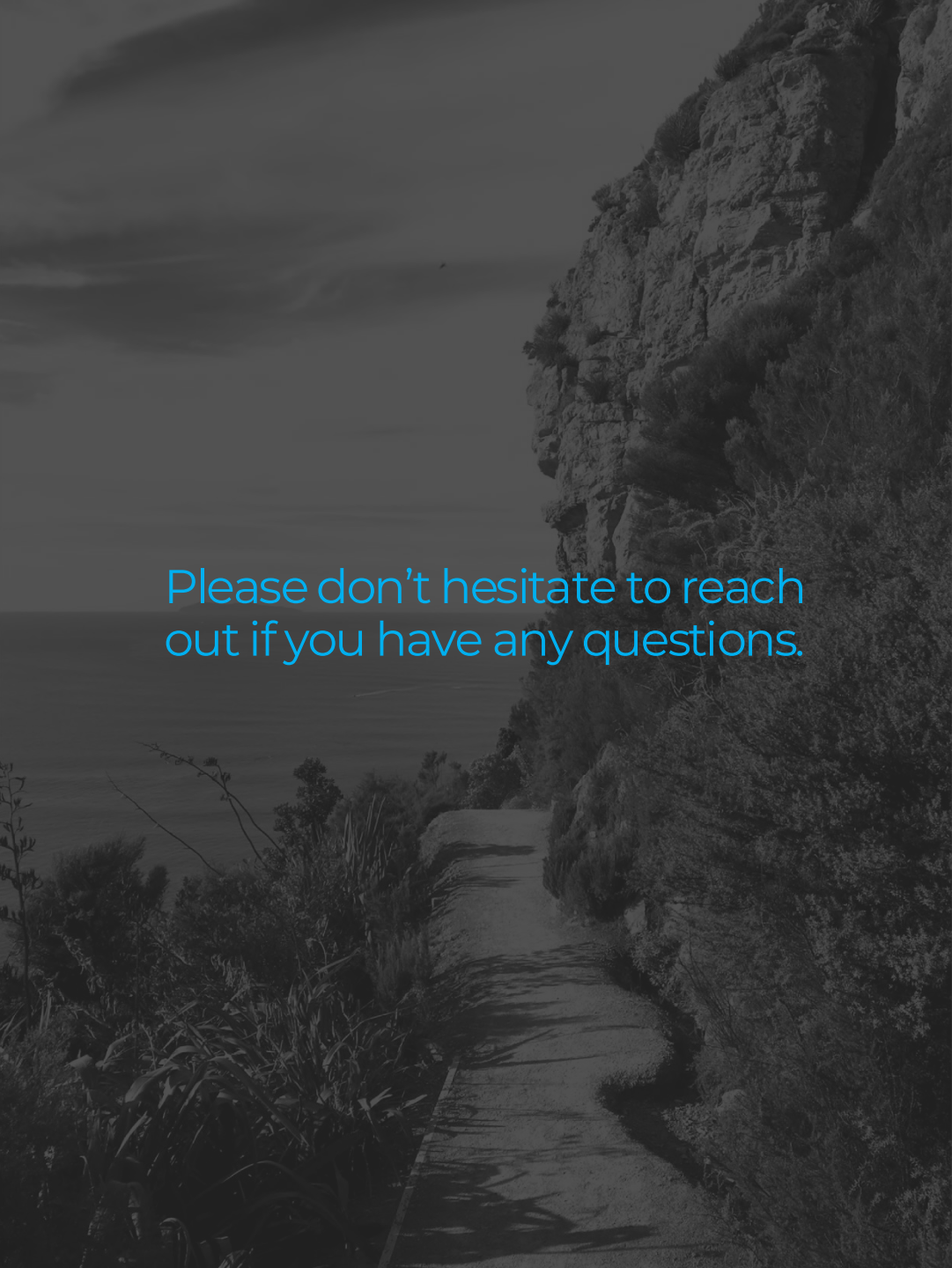
Outcomes

Three 120sqm homes in Kawerau District Councils Central Cove Subdivision.
Additional supply of three market rentals that aligns with the local market preferences for standalone housing.



Bay of Plenty
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Q&A



Please don't hesitate to reach out if you have any questions.



Bay of Plenty
Housing Equity Fund

Roy Thompson

roy@newground.co.nz

+64 21 783 043

Alastair Rhodes

alastair@baytrust.org.nz

+64 21 921 737