



To: Lael Kim, Manager, Applications (Residential), Overseas Investment Office

ASSESSMENT REPORT: Metlifecare Limited

Increased Housing/ Non-Residential Use/ Incidental Residential Use Tests (standing consent)

Date	20 July 2022	Classification	IN CONFIDENCE: Commercially sensitive
OIO reference	202100626	Priority	High

Purpose

We seek your decision on an application for a standing consent (residential land) under the Overseas Investment Act 2005 (the Act).

Under the *Designation and Delegation Letter* dated 24 November 2021, the decision may be made under delegation¹.

Action sought

1. Review this report.
2. Determine whether to grant consent and, if so, on what conditions.
3. Indicate your decision from page 3.

A. Summary

1. Metlifecare Limited (the **Applicant**) is a New Zealand incorporated company with an established retirement village business in New Zealand. It currently owns and operates a portfolio of 32 villages located predominantly in New Zealand's upper North Island.
2. The Applicant intends to acquire residential (but not otherwise sensitive) land under this standing consent in order to expand its well-established retirement village business.
3. The Applicant has a standing consent² which is due to expire in June 2022 (the **Existing Standing Consent**). The Applicant requires the new standing consent to ensure it can continue to acquire residential (but not otherwise sensitive) land for its developments.
4. For the reasons set out in this report, our recommendation is to **grant consent**.

Key information

Applicant	Metlifecare Limited [s 9(2)(b)(ii)]
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¹ Table A Row C

² Consent 201810184

Application type	Standing consent (residential land) for overseas investments in sensitive land.	
Proposed scope of standing consent	Limit type	Limit recommended by OIO
	Location	Nationwide
	Max transactions	Maximum of 25 transactions (but within the maximum total land area limit listed below)
	Max total area	Maximum total of 300 ha of sensitive land
	Max area per transaction	Maximum total of 20 ha of sensitive land per transaction.
	Entry date	20 July 2025
	Completion date	20 July 2027
Relevant tests	Investor test: s 18A Standing consent (residential land) – s23A, Schedule 4(2)	

Timing

5. The Overseas Investment Regulations 2005 specify the total assessment timeframe for this application is 100 days. This application is currently on day 61, therefore a decision is due to the applicant by 12 September 2022.

B. Decision

Core tests

6. I determine that:

- 6.1 The 'relevant overseas person' (**ROP**) is (collectively):

ROP	Role
Metlifecare Limited	Acquiring Entity/ Applicant

- 6.2 The 'individuals with control of the relevant overseas person' (**IWC**) are:

IWC	Role
Jonathan David Coleman	Director of the Applicant
Murray Peter Jordan	
Kenneth Talatonu Lotu-liga	
Eric Paul McClintock	
Margaret Julie Owens	
Ken Chui Wong	

- 6.3 None of the ROP and IWC have established any of the factors contained in section 18A(4) of the Act.³
7. I am satisfied that the investor test in section 18A has been met.
8. I am satisfied the following conditions of consent will be, or are likely to be, met:
- 8.1 conditions that must be imposed for the purpose of ensuring that the relevant residential land test(s) are met for each overseas investment under the standing consent (in this case the Increased Housing, Non-Residential Use and Incidental Residential Use tests);
- 8.2 conditions that must be imposed on consents granted on the basis of the relevant residential land test(s) (that is, conditions requiring certain residential land outcomes);
- 8.3 conditions that must be imposed requiring that the OIO be notified of each transaction settled under the standing consent; and
- 8.4 additional conditions that may be imposed including conditions limiting the scope of the standing consent (e.g. limiting the amount of land that can be acquired).

National interest

9. The Applicant is a non-NZ government investor. As such, each transaction it gives effect to under the standing consent will be a transaction of national interest under section 20A of the Act. However, the Applicant has been granted an exemption under s20AA of the Act (case 202100542). A national interest assessment is not required for each transaction as the Applicant is exempt from the definition of non-NZ government investor.

Decision

10. My ultimate decision is to grant consent subject to the conditions in the Proposed Decision in **Attachment 1**.

³ Section 18A (2) Overseas Investment Act 2005 excludes persons who are not overseas persons from the requirement to meet the investor test.



[s 9(2)(a)]

Lael Kim

Manager, Applications (Residential)

Date: 20 July 2022

Released under the Official Information Act 1982

C. Application of the Act

11. The standing consent will be used to acquire sensitive land.⁴
12. The following criteria for an investment in sensitive land apply to this application:⁵
 - the investor test must be met,⁶ and
 - the other requirements for a standing consent (residential land) must be met.⁷
13. The granting of a standing consent is discretionary. Other considerations that fall outside the criteria may be considered, provided they are relevant and in furtherance of the purpose of the Act. We have not identified any additional factors that we consider are relevant to the assessment whether to grant this standing consent.
14. We assess the investor test in Section D, the reasons for and proposed scope of the standing consent in Section E and the requirements for a residential standing consent in Section F. We discuss national interest matters in Section G.

D. Applicant and investor test

15. This section describes the Applicant and assesses whether the investor test is met.

Business Activities

16. The Applicant is an existing owner and operator of retirement villages in New Zealand. It has had an established business in New Zealand since 1984. It currently owns and operates a portfolio of 32 villages located predominantly in New Zealand's upper North Island. The Applicant provides housing and care to over 6,000 New Zealanders.
17. The Applicant is a repeat investor which has been granted multiple previous consents under the Act, most recently in March 2022, when Ministers granted consent for the Applicant to acquire approximately 8.9ha of sensitive land to develop a retirement village.⁸
18. Additionally, the Applicant has previously been granted the existing standing consent in June 2019 to acquire residential land under the Increased Housing test.

Ownership

19. The Applicant was incorporated in New Zealand in 1984. The Applicant is an overseas person for the purposes of the Act as it is a more than 25% subsidiary of a body corporate incorporated outside New Zealand.
20. The Applicant's sole shareholder is Asia Pacific Group Limited (**APV**)⁹, a company also incorporated in New Zealand. APV is 100% indirectly owned by the EQT Infrastructure IV Fund [s 9(2)(b)(ii)]

⁴ As defined in Table 1, Part 1, Schedule 1 of the Act.

⁵ Set out in Schedule 4, clause 2 of the Act.

⁶ Section 18A of the Act.

⁷ Schedule 4, clause 2(2)(b) of the Act.

⁸ Consent 202100603.

⁹ Referred to in structure diagram as Asia Pacific Village Limited

[s 9(2)(b)(ii)] (EQT). No individual investor in EQT has more than a 5% beneficial interest.

- 21. We include an ownership structure diagram in **attachment 4**.
- 22. We note that the Applicant’s ownership has not changed since the most recent application was granted consent.¹⁰

Control

- 23. The Applicant is controlled by its Board of Directors. [s 9(2)(b)(ii)]
[Redacted]
[Redacted]
[Redacted]

Relevant overseas person and individuals with control

- 24. We recommend that the ‘ROP’ is solely the Applicant, Metlifecare Limited.

Relevant overseas person	Role
Metlifecare Limited	Acquiring Entity/ Applicant

- 25. We recommend that the IWC¹¹ are:

Individuals with control	Role
Jonathan David Coleman	Director of the Applicant
Murray Peter Jordan	
Kenneth Talatonu Lotu-liga	
Eric Paul McClintock	
Margaret Julie Owens	
Ken Chui Wong	

Summary of investor test

- 26. The relevant overseas persons and individuals with control established none of the factors contained in section 18A(4) of the Act. Our provisional conclusion is that the investor test has been met.

E. Requested standing consent

Reason for the standing consent

- 27. The Applicant has provided the following reasons as to why it requires the New Standing Consent:

¹⁰ Consent 202100603.
¹¹ Section 15.

- Expansion of retirement village business - The Applicant intends to acquire residential land in New Zealand for the purposes of expanding its retirement village business. Its Existing Standing Consent is due to expire in June 2022 so the Applicant requires the New Standing Consent to ensure it can continue to acquire residential (but not otherwise sensitive) land that is within the scope of the New Standing Consent for its developments.
 - Regeneration and redevelopment - The Applicant is considering regeneration and redevelopment of its existing retirement villages to accommodate a growing number of residents. To achieve this, the Applicant must acquire small parcels of land adjacent to its existing villages as part of the staged redevelopment.
 - New retirement village - The Applicant intends to acquire land suitable for development of a new retirement village, comprising approximately 150-300 independent living units, a common amenity building and large care facility. Prospective acquisitions may be located on land designated as residential (but not otherwise sensitive) land.
 - Larger scale aged care facilities - The Applicant is currently developing a new aged care strategy which will result in larger scale aged care facilities to assist with a growing demand of an aging population.
 - Acquisition of existing villages - One of the Applicant's key strategies is to seek out the acquisition of existing villages which include development potential. These transactions are often highly competitive processes, and the Applicant sees it as essential that it is able to utilise a standing consent for residential (but not otherwise sensitive) land rather than propose a long conditional period.
28. The scope of the New Standing Consent differs from the Existing Standing Consent. The Applicant has requested a maximum land area of 300 hectares compared to the 120 hectares permitted under the Existing Standing Consent. The Applicant submits that the average land area per transaction is likely to be less than 20 hectares which is why 300 is deemed appropriate.¹²
29. The Applicant seeks 20 hectares as the maximum land area per transaction under the New Standing Consent, compared with the 10 hectares permitted under the Existing Standing Consent.¹³ The Applicant submits that the limit of 10 hectares per transaction has limited its ability to use the Existing Standing Consent in some instances. For example, the Applicant had to obtain a one-off consent to acquire 13 hectares of residential (but not otherwise sensitive) land in 2021 as the land area exceeded the limit of the Existing Standing Consent by a marginal amount.
30. The Applicant seeks a maximum of 25 transactions compared with the 12 transactions permitted under the Existing Standing Consent. This is less than the maximum number of transactions granted to some previous standing consent holders¹⁴

¹² Other standing consent holders have been granted a greater maximum and area, for example Ryman Healthcare Limited which in July 2019 was granted consent to acquire a total of 500 hectares of residential land (Consent 201810238).

¹³ Other consent holders have been granted a higher maximum land area per transaction, for instance Ryman Healthcare Limited who was granted a maximum of 25 hectares per transaction (Consent 201810238).

¹⁴ Universal Homes Limited was granted a maximum of 27 transactions under consent 201810205.

31. The Applicant intends to use the residential land it acquires under the New Standing Consent for increased housing, non-residential uses, and incidental residential uses.

Increased Housing

32. When relying on the increased housing outcome the Applicant will use the land acquired under the New Standing Consent for:
- The “construction of a long-term accommodation facility on the residential land, or an increase in the number of dwellings in a long-term accommodation facility that is on the residential land”¹⁵; and
 - The “development works on the land to support”¹⁶ the above outcome.

Non-residential Use

33. The Applicant expects that it will use some of the residential land it acquires for non-residential use. The Applicant intends to use the residential land for non-residential purposes in the ordinary course of its business (for example, for use as carparks, common amenities, landscaping, green spaces, accessways, storage spaces, reception areas and other common areas). The residential land used for non-residential purposes will not be used, nor held for future use, for residential purposes.

Incidental Residential Use

34. The Applicant may acquire residential land for incidental residential use. For example, where employees of the Applicant use the residential land as temporary or permanent accommodation in connection with their employment at the retirement village.

Scope of the standing consent

35. The following table outlines the scope of the standing consent requested and our assessment as to the appropriateness of that request.

Limit	Requested	OIO comment
Location	Nationwide	We consider that a nationwide area is reasonable given that the Applicant operates retirement villages nationwide.
Maximum area	300 hectares	We consider the maximum area requested by the Applicant is reasonable given the Applicant’s reasons for seeking consent, its track record and the maximum area requested in comparison with other standing consent holders who have been granted a greater number of hectares. ¹⁷

¹⁵ Clause 11(1)(a)(ii) of Schedule 2.

¹⁶ Clause 11(1)(a)(iii) of Schedule 2.

¹⁷ Other standing consent holders have been granted a greater maximum land area, for example Ryman Healthcare Limited which in July 2019 was granted consent to acquire a total of 500 hectares of residential land (Consent 201810238).

Maximum transactions	25	We consider the maximum number of transactions requested by the Applicant is reasonable given the size of Metlifecare's operations and that the request is similar to other standing consents granted previously. ¹⁸
Maximum area per transaction	20 hectares	We consider that the maximum area per transaction requested by the Applicant is reasonable given the nature of Metlifecare's business operations and that this is less than that granted to other standing consent holders. ¹⁹
Duration	3 years	We consider 3 years to be an appropriate duration for a standing consent at this time. It is noted that the term of a standing consent may be varied or a new standing consent applied for at the end of the 3 year term.

Provisional conclusion

36. Our provisional conclusion is that the scope of standing consent requested is appropriate. This is supported by the Applicant's track record discussed in Section F and its reasons for seeking this consent.

F. Requirements for a residential standing consent

37. This section addresses the remaining criteria for a residential standing consent. In addition to the investor test being met, the conditions that will be imposed on the standing consent (both mandatory and discretionary) must be likely to be met.²⁰
38. In assessing whether the conditions of consent are likely to be met, you must have regard to factors such as:
- the applicant's financial strength
 - the previous activity of the applicant (or associates or individuals with control of the relevant overseas person) regarding use of residential land, and
 - the previous record of the applicant (or associates or individuals with control of the relevant overseas person) in complying with consent conditions or applying for consent conditions to be varied.
39. We note that the Applicant has met the above requirements for the Existing Standing Consent.

Financial strength

¹⁸ Universal Homes Limited was granted a maximum of 27 transactions under consent 201810205.

¹⁹ Ryman Healthcare Limited was granted a maximum of 25 hectares per transaction under consent 201810238.

²⁰ Schedule 4, clause 2(2)(b) of the Act.

40. As at the end of June 2021 financial year the Applicant's net asset value stood at \$1.8 billion. In the same financial year, the Applicant had a total profit of \$304 million and net cash from operating activities of \$112 million.
41. The Applicant confirms that as at the date of filing the consent application, it has assets greater than the value of its liabilities (including present, future and contingent liabilities), and that cash from trading, cash reserves or access to credit facilities are in place sufficient to cover its debts as they fall due in the normal course of business over the duration of the New Standing Consent.
42. The Applicant submits that it will fund the acquisitions contemplated under the New Standing Consent (and, where applicable, the associated developments) [s 9(2)(b)(i)]
[REDACTED]
43. We are satisfied that the Applicant has sufficient financial strength to meet this requirement.
44. The Applicant has met this requirement previously for the Existing Standing Consent.

Previous activity regarding use of residential land

45. The Applicant has undertaken various developments of sensitive land (including residential land) in the past, and has four developments currently underway, which are similar to the developments the Applicant intends to undertake under the New Standing Consent. Some examples include the following:
- Pohutukawa Landing, Beachlands, Auckland. - This development once complete will include 64 care beds and 158 ILUs (52 villas and 106 apartments). The village is partially open and will be completed by mid-2025. In March 2021 the Applicant acquired a small parcel of land adjacent to the main village land which is currently in the resource consenting phase. This will add a further 21 apartments to the village development.
 - Gulf Rise, Red Beach, Auckland. - This development includes 36 care beds and 200 ILUs (170 apartments, 30 villas). The village is partially open and will be complete by mid-2025.
 - Edgewater, Pakuranga, Auckland. - This development comprises 24 care beds and 47 ILUs (47 apartments). This was a redevelopment of an old existing village comprising \$40m regeneration with the first stage now complete.
 - Orion Point, Hobsonville, Auckland. - This development is currently under construction and once complete will comprise 80 care beds, and 204 ILUs (169 apartments, 35 villas). The village is expected to open in 2023 and will be complete by 2025.
 - Palmerston North. In October 2021. - the Applicant acquired land adjacent to its existing village in Palmerston North using the Existing Standing Consent. The plan for the site is to develop 43 additional ILUs. Demolition and site clearing works are complete with civil works pending.
46. We are satisfied that the Applicant has an extensive track record of carrying out residential land development (for retirement villages) in New Zealand.

47. The Applicant has met this requirement previously under the Existing Standing Consent.

Record of compliance with consent conditions

48. The Applicant submits that it has a good track record of compliance with consent conditions.
49. The Applicant was subject to an investigation relating to non-compliance with conditions for consent 201900270 and a compliance letter was sent in October 2020. The breach concerned a delay in submitting a resource consent application which contravened a special condition of the consent. The Applicant was required by the OIO to submit a variation application to the consent. A variation application was subsequently made and granted.
50. The Applicant has obtained the following consents:

Date	Case number	Applicant	Investment
1 June 2012	201210032	Metlifecare Oakwoods Limited	Acquisition of a freehold interest in 0.5786 hectares of sensitive land in Richmond, Nelson. Sensitive land
9 July 2012	201210076/ 201220003	Metlifecare Limited	Acquisition of up to 100% of the shares of Vision Senior Living Limited (Significant Business Assets) and acquisition of 4.3708 hectares of sensitive land in Kerikeri, 2.2457 hectares of sensitive land in Auckland and 5.5766 hectares of sensitive land in Hamilton.
3 August 2012	201210042/ 201210043	Metlifecare Limited	Acquisition of 1.8285 hectares of sensitive land in Unsworth Heights, Auckland. Acquisition of 2.6365 hectares of sensitive land in Unsworth Heights Auckland
12 April 2018	201720107	Metlifecare Limited	Acquisition of 5.5972 hectares of sensitive land in Hobsonville, Auckland.
12 June 2019	201810184	Metlifecare Limited	Standing Consent
10 July 2019	201900270	Metlifecare Limited	Acquisition of 0.265 hectares of sensitive land in Kerikeri.

17 August 2021	202000853	Metlifecare Limited	Acquisition of 20.4645 hectares of sensitive land in Clevedon, Auckland.
28 November 2021	202100542	Metlifecare Limited	Exemption for relevant government enterprise from the definition of non-N government investor
1 December 2021	202100639	Metlifecare Limited	Acquisition of 13.0534 hectares of sensitive land in Mangawhai Heads.
23 December 2021	202100627	Metlifecare Limited and Metlifecare Retirement Villages Limited	Acquisition of a portfolio of six retirement village/aged care facilities (Significant Business Assets)
17 March 2022	202100603	Metlifecare Limited	Acquisition of 8.9574 hectares of sensitive land in Whenuapai, Auckland.

Additional factor(s)

51. The list of relevant factors set out in clause 2(2)(b) in Schedule 4 of the Act is non-exhaustive. Any additional factors we consider relevant to our assessment of the Conditions Criterion are listed below and set out in the assessment table(s) in the following section.

Applicant processes to comply

52. The Applicant submits that when acquiring land in reliance on the New Standing Consent it will obtain professional advice as to land zoning and other sensitivity triggers, which it always does prior to pursuing acquisition opportunities.
53. The Applicant confirms that when acquiring land under the New Standing consent, it will obtain legal advice to ensure the acquisition is within the scope of the New Standing Consent and conditions can be complied with.
54. The Applicant conducts continuous training sessions and communications to its relevant in-house development team members on the conditions of the Existing Standing Consent and those team members will be aware of the relevant conditions under the New Standing Consent.
55. These processes are the same as those which have been used to ensure compliance with the Existing Standing Consent.

Conditions

56. The Act requires that standing consents include the following mandatory conditions:²¹

²¹ Schedule 4, clause 2(3) of the Act.

- conditions for the purpose of ensuring that the relevant residential land test(s) are met for each overseas investment under the standing consent (in this case, Increased Housing, Non-residential Use and Incidental Residential Use tests).
 - conditions that must be imposed on consents granted on the basis of the relevant residential land test(s) (that is, conditions requiring certain residential land outcomes); and
 - conditions requiring that the OIO be notified of each transaction settled under the standing consent.
57. The Act also provides for additional, discretionary conditions to be imposed.²² This may include conditions limiting the scope of the standing consent.
58. The table in **Attachment 3** sets out the mandatory and proposed discretionary conditions and assesses whether each condition is likely to be complied with.

Increased housing outcome

59. The Increased housing pathway is set out in Clause 11 of Schedule 2 of the Act.
60. The two applicable increased housing outcomes for the Applicant are either:
- Clause 11(1)(a)(ii) construction of a long-term accommodation facility on the residential land, or an increase in the number of dwellings in a long-term accommodation facility that is on the residential land; and/or
 - Clause 11(1)(a)(iii) – development works on the land in support of the above.
61. The Applicant intends to undertake retirement village and aged care developments on the land acquired under the New Standing Consent (such land may be bare land at the date of acquisition or may already be developed) resulting in the construction and/or redevelopment of a long-term accommodation facility.
62. Depending on the state of the Land when acquired, the Applicant may undertake earthworks and other development works, or redevelopment or refurbishment works.
63. The Applicant will not occupy the Land except for the purpose of constructing or redeveloping a long-term accommodation facility.
64. The Applicant submits that the New Standing Consent qualifies for the exemption from the on-sale outcome relating to the operation of a long-term accommodation facility under clause 11(2)(a) of Schedule 2 of the Act.
65. Following completion of the development or redevelopment, the Applicant intends to use the Land for the operation of the long-term accommodation facility to be constructed or redeveloped on the Land. The Applicant submits that the long-term accommodation facilities to be constructed will or are likely to operate from the relevant land within [s 9(2)(b)] of commencing construction.
66. Having regard to the fact that the Applicant's business is to own and operate retirement villages, its submissions and track record, we are satisfied that the New Standing Consent qualifies for the exemption from the on-sale outcome, as it is likely

²² Schedule 4, clause 2(4) of the Act.

that the residential land will be used to operate long-term accommodation facilities (retirement villages) within a specified period.

Non-residential use outcome

67. The non-residential use pathway is set out in Clause 13 of Schedule 2 of the Act.
68. Some of the land acquired under the New Standing Consent will be used for non-residential purposes in the ordinary course of business for the Applicant's retirement village business, and not used, nor held for future use, for any residential purposes.
69. When relying on the non-residential use test, the Applicant intends to use the residential land acquired under the New Standing consent for the following non-residential purposes:
 - Car parks,
 - Reception / office areas,
 - Recreational areas,
 - Access lots,
 - Green spaces and landscaped areas,
 - Storage areas.
70. The Applicant states that it is a leading owner and operator of retirement villages. For the purposes of this investment, we consider that the relevant business is the operation of retirement villages.

Incidental residential use outcome

71. The incidental residential use pathway is set out in Clause 14 of Schedule 2 of the Act.
72. Some of the land acquired under the New Standing Consent may be used for incidental residential purposes in support of the relevant business and acquired in the ordinary course of business of the Applicant.
73. The Applicant may use land acquired under the new Standing Consent for accommodation for employees in support of and in connection with the operation of the relevant retirement village. The relevant land will be acquired as part of the Applicant's business in the operation of retirement villages.
74. The Applicant states that it is likely that the land acquired under the New Standing consent for the incidental residential use will be very close to or part of a retirement village operated by the Applicant.
75. The Applicant may choose to use only part of the relevant land for incidental residential use and may use the balance for another purpose (increased housing or non-residential use). The Applicant seeks flexibility to be able to use all or part of the land acquired under the New Standing Consent for the incidental residential use.
76. Our provisional conclusion is that the conditions that will be imposed on the standing consent are likely to be met.

G. Not a transaction of national interest



77. The Applicant is a non-NZ government investor. As such, each transaction it gives effect to under the standing consent will be a transaction of national interest under section 20A of the Act.
78. However, the Applicant has been granted an exemption under s20AA of the Act (case 202100542). A national interest assessment is not required for each transaction as the Applicant is exempt from the definition of non-NZ government investor.

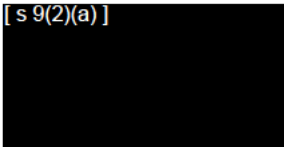
Released under the Official Information Act 1982



H. Conclusion and recommendation

79. After considering the Application, our view is that:
- a) the investor test has been met, and
 - b) the conditions that will be imposed on the consent are likely to be met.
80. Our recommendation is therefore to **grant consent**.
81. If you agree, we refer you to **Attachment 1** to review the Proposed Decision (including consent conditions), and to **paragraphs 5- 9** of this Assessment Report to record your decision.

[s 9(2)(a)]

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Hannah Worsley

Solicitor

Overseas Investment Office

Date: 20 July 2022

Released under the Official Information Act 1982



I. List of Attachments

Attachment 1	Proposed decision
Attachment 2	Ownership structure diagram
Attachment 3	Compliance with conditions of consent

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Attachment 1: Proposed decision

Standing Consent for Overseas Person to Acquire Residential (but not otherwise sensitive) New Zealand Land

Read this standing consent carefully - you must comply with all the conditions. If you do not, you may be required to dispose of the land and/or be subject to fines or other penalties.

Consent

Decision date: 20 July 2022

The following people have been given this **Standing Consent**:

Case	202100626
Consent	The Consent Holder(s) may acquire residential (but not otherwise sensitive) land subject to the limits and conditions set out below.
Consent type	Standing consent under section 23A (increased housing)
Consent Holders	<p>The Consent Holders are:</p> <ul style="list-style-type: none"> (a) Metlifecare Limited (company no. 237544); (b) Any wholly-owned subsidiary or holding entity in which Metlifecare Limited has a 95% or more ownership or control interest; and (c) Any joint venture with a non-overseas person, whether incorporated or not, in which Metlifecare Limited holds at all times at least a 50% ownership <u>or</u> control interest. <p>We will also refer to the Consent Holders as you.</p>
Entry Date	20 July 2025
Completion date	20 July 2027

Conditions

Your Standing Consent is subject to the Special conditions, Standard Conditions and Reporting conditions (**Conditions**) set out below. You must comply with them all. Be aware that if you do not comply with the Conditions the Consent may be revoked, you may be subject to fines or other penalties, and you may also be required to dispose of land acquired under this standing consent.

In the Consent and the conditions, we refer to the Overseas Investment Office as **OIO, us or we.**

In the Consent **Transaction** means:

- (a) the sale or transfer of property
- (b) the entering into, or the giving effect to a provision in, a contract or arrangement
- (c) the arriving at, or the giving effect to, an understanding.

A transaction may involve the acquisition of one or more parcels of land.

Special Conditions

You must comply with the following **Special conditions**. These apply specifically to this Consent:

Details	Required date
Special Condition 1: Nature of land to be acquired	
Number of transactions	
You may enter into up to 25 transactions of residential (but not otherwise sensitive land).	By the Entry Date.
When you may acquire the land	
<p>You may complete up to 25 transactions of residential (but not otherwise sensitive) land.</p> <p>Any transaction entered into pursuant to this Standing Consent must be completed by the Completion date.</p> <p>In these conditions, a transaction is completed when you become the registered owner of all the estates or interests in residential (but not otherwise sensitive) land being acquired under the transaction.</p>	By the Completion date
Land size	
<p>You may obtain interests in land up to a total of:</p> <ul style="list-style-type: none"> (a) 300 hectares (in total); and (b) 20 hectares per transaction. 	

Geographic area	
There are no geographic restrictions to this consent.	
Disposal	
If you do not comply with this Special condition, Standard condition 5 will apply and we may require you to dispose of land acquired in breach of this condition.	
Special Condition 2: Increased housing, non-residential use, incidental residential use outcomes	
<p>You may use the land acquired under this Standing Consent for one of the three purposes referenced below:</p> <ol style="list-style-type: none"> 1. Increased Housing Outcome 2. Non-Residential Use Outcome 3. Incidental Residential Use Outcome <p>If you do not comply with this special condition, standard condition 5 will apply and we may require you to dispose of the land acquired under the Standing Consent.</p>	At all times
Outcome	
<p>If using the land for increased housing, you must use the land:</p> <ol style="list-style-type: none"> (a) to construct, or increase the number of dwellings in, a long-term accommodation facility for each development. (b) or for development works to support such construction. 	At all times
Outcome	

<p>If using the land for non-residential use you must use the land:</p> <p>(a) for non-residential purposes in the ordinary course of business for the relevant business; and</p> <p>(b) not used or held for any residential purposes.</p>	<p>At all times</p>
<p>Outcome</p>	
<p>If using the land for incidental residential use you must use the land:</p> <p>(a) For residential purposes but only in support of the relevant business; and</p> <p>(b) The relevant business is not (or is only exceptionally) in the business of using land for residential purposes</p>	<p>At all times</p>
<p>Special condition 3: Milestones</p>	
<p>You must complete the following milestones for <u>each</u> development:</p>	
<p><u>Milestone</u></p>	<p><u>Timeframe</u></p>
<p><i>Milestone 1</i></p> <p>Submit relevant resource consent application(s) for the development within the timeframe</p>	<p>Within 5 year after the date of completing the transaction for the relevant land</p>
<p><i>Milestone 2</i></p> <p>Begin first stage of development works within the timeframe</p> <p>(To avoid doubt, resource consent(s) for each development can be obtained in stages)</p>	<p>Within 5 years of receiving all of the relevant resource consents</p>
<p><i>Milestone 3</i></p> <p>Begin operating a long-term accommodation facility on the land within the timeframe</p>	<p>Within 5 years of Milestone 2 occurring</p>

(To avoid doubt, this includes operating one or more stages of a long-term accommodation facility on the land acquired under the Standing Consent)	
<p><i>Milestone 4</i></p> <p>Complete construction of the development</p>	<p>Within 5 years of receiving all of the relevant resource consents</p>
<p>In this special condition:</p> <p>(a) development means project associated with the land being acquired through one or more transactions which is, or will be, used for the purpose of carrying out development works and/or construction to meet the increased housing outcome (special condition 2, Outcome).</p> <p>(b) timeframe means the time period in specified in the right column of this special condition in the same row as each relevant requirement.</p>	
<p>Disposal</p>	
<p>If you do not comply with this Special condition, Standard condition 5 will apply and we may require you to dispose of land acquired under the Standing Consent.</p>	
<p>Special condition 4: Non-occupation outcome</p>	
<p>None of the following people may occupy the land acquired under the Standing Consent:</p> <p>(a) You.</p> <p>(b) Any overseas person with a 25% or more ownership or control interest in any of the people in (a).</p> <p>(c) Any overseas person who occupies the land other than on arm's length terms²³.</p> <p>(d) Any overseas person who has a beneficial interest in, or beneficial entitlement to, the relevant interest in the land.</p> <p>If any such persons do occupy land acquired under the Standing Consent for residential purposes,</p>	<p>While you, or any of the people outlined in paragraphs (b) to (d), has any relevant interest in the land</p>

²³ 'At arms length terms' has the meaning in clause 17, Part 5, Schedule 2 of the Overseas Act 2005. In summary it means terms, for example under a lease (or other contract), that are on a reasonable commercial basis.

<p>Standard condition 5 will apply and we may require you to dispose of that land.</p>	
<p>Special condition 5: Notice of acquisitions</p>	
<p>You must notify us of each transaction settled under this Standing Consent (Notice).</p> <p>The Notice must contain the information specified in this special condition.</p>	<p>As soon as you can, and no later than one month after settlement</p>
<p>Standing consent-specific details</p>	
<p>Each Notice must report on compliance with special condition 1 (number of transactions, land size, and geographic area), including:</p> <ul style="list-style-type: none"> (a) details of each transaction entered into; (b) total number of transactions (per year and aggregated); (c) total land size acquired (per region and aggregated). 	
<p>Transaction specific details</p>	
<p>Each Notice must identify the land being acquired and the land that comprises or is intended to comprise the relevant development.</p> <p>Each Notice must also include:</p> <ul style="list-style-type: none"> (a) the date you acquired the land (i.e. the date of settlement), (b) consideration paid (plus GST if any), (c) the structure by which the acquisition was made and who acquired the land, (d) copies of any transfer documents and settlement statements, (e) a current and historical copy of the record of title for each parcel of land acquired, and 	

<p>(f) a land status certificate including a map of the location, cadastral map, and aerial photo identifying the land.</p> <p>You will separately provide us a development plan for the land (identifying the stages of development and the areas which are intended to be used for increased housing) as soon as reasonably practicable but not later than three months from the date of settlement.</p>	
<p>In this special condition, year means each 12-month period from the Decision date.</p>	

Standard Conditions

You must also comply with the **Standard Conditions** set out below. These apply to all overseas people who are given consent to acquire sensitive New Zealand land, including you:

Details	Required date
Standard condition 1: acquire the land under this standing consent	
<p>You must acquire any land under this Standing Consent:</p> <p>(a) by the Completion date stated in the Standing Consent.</p> <p>If you do not, your Standing Consent will lapse or become invalid and you must not acquire any land in reliance upon it, and</p> <p>(b) using the acquisition, ownership and control structure you described in your application.</p> <p>Note, only you – the named Consent holder – may acquire and land, not your subsidiary, trust or other entity.</p>	<p>As stated in the Consent</p>
Standard condition 2: allow us to inspect any land acquired under this standing consent	
<p>Sometimes it will be helpful for us to visit land acquired under this Standing Consent, so we can monitor your compliance with the Conditions.</p>	<p>At all times</p>

We will give you at least two weeks' written notice if we want to do this.

You must then:

1. Allow a person we appoint (**Inspector**) to:
 - (a) enter onto the land, including any building on it, other than a dwelling, for the purpose of monitoring your compliance with the Conditions (**Inspection**),
 - (b) remain there as long as is reasonably required to conduct the inspection,
 - (c) gather information,
 - (d) conduct surveys, inquiries, tests and measurements,
 - (e) take photographs and video records, and
 - (f) do all other things reasonably necessary to carry out the Inspection.
2. Take all reasonable steps to facilitate an Inspection including:
 - (a) directing your employees, agents, tenants or other occupiers to permit an Inspector to conduct an Inspection,
 - (b) being available, or requiring your employees, agents, tenants or other occupiers to be available, at all reasonable times during an Inspection to facilitate access onto and across the land. This includes providing transport across the land if reasonably required.
3. During an Inspection:
 - (a) we will not compel you and your employees, agents, tenants or other occupiers to answer our questions or to let us look at, copy or take away documents,
 - (b) our Inspector will comply with any reasonable instruction and co-operate with any reasonable health and safety policy or procedure you notify to us before the Inspection.

Standard condition 3: remain not unsuitable to invest in New Zealand	
<p>You, and to the extent that you are not an individual, the Individuals Who Control You must remain not unsuitable to own or control the Assets in accordance with section 18A(1) of the Act.</p> <p>The Individuals Who Control You are individuals who:</p> <ul style="list-style-type: none"> (a) are members of your governing body, (b) directly or indirectly, own or control more than 25% of you or of a person who itself owns or controls more than 25% of you, and (c) are members of the governing body of the people referred to in paragraph (b) above. 	<p>At all times</p>
Standard condition 4: tell us about changes that affect you, the people who control you, or people you control	
<p>You must tell us in writing if any of the following events happens to any of the Consent Holders:</p> <ul style="list-style-type: none"> (a) You become aware that you and/or any Individual Who Controls you establishes any of the investor test factors listed in section 18A(4) of the Act. (b) You cease to be an overseas person or dispose of all or any part of the Land. (c) Your New Zealand Service Address changes. This is the address you provided us in your application as the address which we will send any legal document we need to serve on you. 	<p>Within 20 working days after the change</p>
Standard condition 5: dispose of land if you do not comply with key Special conditions	
<p>Some of the special conditions were key to the decision to give consent. If we consider you have failed to comply with one of those special conditions in a material way we may require you to dispose of the land.</p>	

<p>If all or part of this standard condition 6 applies to a special condition, we have said so in that condition.</p> <p>We will give you written notice if we require you to dispose of the relevant land. After we have given you notice, you must:</p>	
<p>Value the land: obtain and send us a copy of a market valuation of the land from a New Zealand registered valuer.</p>	<p>Within six weeks of the date of our notice.</p>
<p>Market the land: instruct a licensed real estate agent to actively market the land for sale on the open market.</p>	<p>Within six weeks of the date of our notice.</p>
<p>Dispose of the land: dispose of the land to a third party who is not your associate.</p>	<p>Within six months of our notice.</p>
<p>Offer without reserve: if you have not disposed of the land within six months of our notice, offer the land for sale by auction or tender without a reserve price or minimum bid and dispose of the land.</p>	<p>Within nine months of our notice.</p>
<p>Report to us about marketing: tell us in writing about marketing activities undertaken and offers received for the land.</p>	<p>By the last day of every March, June, September and December after our notice or at any other time we require.</p>
<p>Report disposal to us: send us, in writing, evidence:</p> <ul style="list-style-type: none"> (a) that you have disposed of the land, (b) of disposal (including copies of sale and purchase agreements, settlement statements and titles showing the purchaser as registered proprietor), (c) the purchaser is not your associate. 	<p>Within one month after the land has been disposed of.</p>



Reporting conditions

We need information from you so we can monitor your progress against the Conditions.

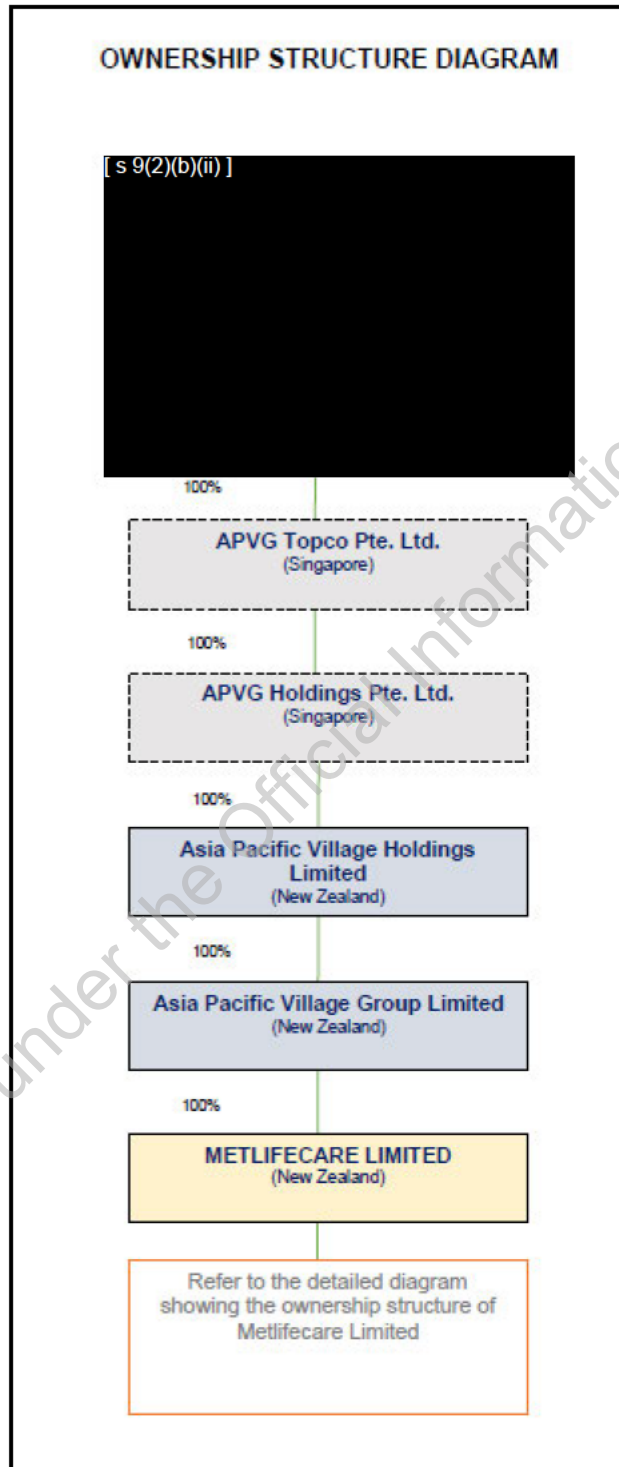
You must:

1. notify us of each transaction settled under this Standing Consent as set out in special condition 5 as soon as you can, and no later than one month after Settlement; and
2. report to us annually (by **1 July each year**) about your progress on implementing the milestones set out in special condition 3 for each development.
3. If requested in writing by the OIO, the Consent Holder must provide a written report within 20 working days (or such other timeframe as specified) on any matter relating to its compliance with:
 - (a) the representations and plans made or submitted in support of the application and notified by the regulator as having been taken into account when the consent was granted; or
 - (b) the conditions of this consent.

In these reporting conditions:

- (a) **year** means each 12 month period starting on the Decision date;
- (b) **development** means project associated with the land being acquired through one or more transactions which is, or will be, used for the purpose of carrying out development works and/or construction to meet the increased housing outcome (Special condition 2, Outcome).

Attachment 2: Ownership Structure Diagram



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Attachment 3: Compliance with conditions of consent

Increased housing test			
<i>In summary, the requirements of the increased housing test are that the three outcomes listed below will, or are likely to, occur. Conditions must be imposed on any consent granted requiring these outcomes to occur (unless an exemption applies).</i>			
Requirement	Proposed special condition	Condition likely to be met?	OIO Analysis
<p><i>Sch 4, cl 2(3)(a)-(b) and Sch 2, cl 11</i></p>			
<p>(a) Increased housing outcome</p> <p>One or more of the following increased housing outcomes will, or is likely to, occur on the residential land:</p> <ul style="list-style-type: none"> • an increase in the number of residential dwellings; • construction of, or an increase in the number of dwellings in, a long-term accommodation facility; • development works to support either of the above. 	<p>2</p>	<p>Yes</p>	<p>We are satisfied that this condition is likely to be met for the part of the land that this increased housing test applies to having regard to:</p> <ul style="list-style-type: none"> • The Applicant’s core business of developing retirement villages (long-term accommodation facilities) • The Applicant’s intention to undertake retirement village and aged care developments on the land acquired under the New Standing Consent (such land may be bare land as at the date of acquisition, or may already be developed), resulting in the construction and/or redevelopment of a long-term accommodation facility. <p>Special condition 2 requires the increased housing outcome to occur for the part of the land which this test applies to. This condition requires the consent holder to use any land acquired under the New Standing Consent to construct, or increase the number of dwellings in, a long-term accommodation facility for each development; or for development works to support such construction.</p>

<p>(b) On-sale outcome</p> <p>The on-sale outcome will, or is likely to, occur (unless exempt).</p>	<p>N/A</p>	<p>N/A</p>	<p>The Applicant submits that the New Standing Consent qualifies for the exemption from the on-sale outcome relating to the operation of a long-term accommodation facility under section 11(2)(a) of Schedule 2 of the Act.</p> <p>We are satisfied that the New Standing Consent is exempt from the on-sale outcome as it relates to the operation of a long-term accommodation facility under section 11(2)(a) of Schedule 2 of the Act.</p>
<p>(c) Non-occupation outcome</p> <p>The non-occupation outcome will, or is likely to, occur.</p>	<p>4</p>	<p>Yes</p>	<p>We are satisfied that this condition is likely to be met having regard to:</p> <ul style="list-style-type: none"> • The Applicant’s intention not to occupy the land but for the purpose of construction and or/development of a long-term accommodation facility. • The Applicant’s history of compliance with consent conditions. <p>Special condition 4 requires the non-occupation outcome to occur. This condition prohibits the Applicant and its associates from occupying the Land.</p>
<p>Relevant business</p> <p>Under clause 12 of Schedule 2, the decision-maker may, for the purposes of considering an application under the non-residential or incidental residential test, determine which 1 or more of the following is the ‘relevant business’: (1) a business of the ROP (A); (2) a business of a person (B) if A owns or controls the relevant interest in the residential land primarily for B to use the residential land in that business. However, in making that determination, the decision-maker must be satisfied that the business is likely to continue for a reasonable period of time, given the circumstances and nature of the business.</p>			
<p>Given the nature of the proposed investments, we consider the relevant business is the retirement village business of the Applicant as above.</p> <p>The Applicant has had an established retirement village business in New Zealand since 1984. It is a leading New Zealand owner and operator of retirement villages providing care to over 6000 New Zealanders and operating a portfolio of 32 villages in New Zealand. The Applicant intends to acquire residential land in New Zealand under the New Standing consent and expand its well-established retirement village business.</p> <p>Having regard to the above, we are satisfied the business is likely to continue for a reasonable period of time.</p>			

Non-residential use test

In summary, the requirements of the non-residential use test are that the two elements of the non-residential use outcome will, or are likely to, occur (refer (a) below). Conditions must be imposed on any consent granted that require the non-residential use outcome to occur. There are additional requirements and mandatory conditions if the non-residential use is unlikely to occur within a short period (refer (b) below).

Requirement <i>Sch 4, cl 2(3)(a)-(b) and Sch 2, cl 13</i>	Proposed special condition	Condition likely to be met?	OIO Analysis
<p>(a) Non-residential use outcome</p> <p>The residential land:</p> <ul style="list-style-type: none"> will, or is likely to, be used for non-residential purposes in the ordinary course of business for the relevant business; and will not, or is not likely to be, used or held for any residential purposes. 	<p>2</p>	<p>Yes</p>	<p>We are satisfied that this condition is likely to be met for the part of the land that this non-residential use test applies to, having regard to:</p> <ul style="list-style-type: none"> the purposes for which the Applicant intends to use the land when relying on the non-residential use outcome which include carparks, reception/office areas, common areas for residents, recreational areas, access lots, green spaces, landscaped areas and storage areas. These uses are non-residential uses. <p>Special Condition 2 requires the non-residential use outcome to occur for the part of the land which this test applies to. This condition requires the Applicant to use the land acquired under this Standing Consent:</p> <ul style="list-style-type: none"> (a) for non-residential purposes in the ordinary course of business for the relevant business; and (b) not used or held for any residential purposes.
<p>(b) Timeframe for non-residential use</p> <p>The non-residential use outcome will, or is likely to, occur within either:</p>	<p>4</p>	<p>Yes</p>	<p>We are satisfied that this condition is likely to be met having regard to:</p> <ul style="list-style-type: none"> The Applicant’s submission that it is unlikely that the non-residential use will occur within a short period but that the non-occupation outcome will likely occur in the interim.

<ul style="list-style-type: none"> • a short period after the overseas investment is given effect; or • a specified period and either: <ul style="list-style-type: none"> ○ the non-occupation outcome will, or is likely to, occur; or ○ the incidental residential use test is applied for and met. 		<p>Special condition 4 requires the non-occupation outcome to occur. This condition prohibits the Applicant and its associates from occupying the Land.</p>
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Incidental residential use test

The requirements of the incidental residential use test are summarised under (a) and (b) below. The decision-maker may have regard to all or any of the considerations set out below in considering whether the incidental residential use test is met. Conditions must be imposed on any consent granted that require the incidental residential use outcome to occur.

<p>Considerations</p> <p><i>Sch 2, cl 14</i></p>	<p>OIO Analysis</p>
<p>Alternatives</p> <p>whether any reasonable alternative exists to the acquisition of the relevant interest in the residential land</p>	<p>The incidental residential use will be for on-site accommodation essential to the retirement home operation.</p>

<p>Proximity</p> <p>The proximity of the residential land to the premises or operations of the relevant business</p>	<p>the Applicant submits that it is most likely that any land acquired under the New Standing Consent for the incidental residential use will be very close to or part of a retirement village operated by or to be operated by the Applicant.</p> <p>We consider that land acquired is likely to be in close proximity or part of an existing retirement village owned and operated by the Applicant.</p>		
<p>Staff accommodation</p> <p>Whether the use of the residential land is (without limitation) for accommodation for staff engaged in the relevant business</p>	<p>The Applicant submits that it is possible that employees of the Applicant will reside at land acquired under the New Standing Consent (either on a temporary or permanent basis) in support of and in connection with the operation of the relevant retirement village business.</p> <p>We consider that it is likely that land acquired will be used for staff accommodation.</p>		
<p>Any other factor</p> <p>Any other factors that seem relevant in the circumstances</p>	<p>N/A</p>		
<p>Requirement</p> <p><i>Sch 4, cl 2(3)(a)-(b) and Sch 2, cl 14</i></p>	<p>Proposed special condition</p>	<p>Condition likely to be met?</p>	<p>OIO Analysis</p>
<p>(a) Incidental residential use outcome</p> <p>Having regard to the above considerations:</p> <ul style="list-style-type: none"> the residential land will be, or is likely to be, used for 	<p>2</p>	<p>Yes</p>	<p>We are satisfied that this condition is likely to be met for the part of the land that this incidental residential use test applies to having regard to:</p> <ul style="list-style-type: none"> the Applicant's submission that employees of the Applicant may reside at land acquired under the New Standing Consent (either on a temporary or permanent basis) in support of and in connection with the operation of the relevant retirement village by the Applicant.

<p>residential purposes but only in support of the relevant business; and</p> <ul style="list-style-type: none"> the relevant business is not (or is only exceptionally) in the business of using land for residential purposes. 			<ul style="list-style-type: none"> The relevant retirement village business is not (or is only exceptionally) in the business of using land for residential purposes. <p>Special condition 2 requires the incidental residential use outcome to occur for the part of the land which this test applies to. This condition requires the consent holder to use the land acquired under the Standing Consent:</p> <ol style="list-style-type: none"> For residential purposes but only in support of the relevant business; and The relevant business is not (or is only exceptionally) in the business of using land for residential purposes
<p>(b) Ordinary course of business</p> <p>Having regard to the above considerations and the proposed use of the residential land:</p> <ul style="list-style-type: none"> the land will be, or is likely to be, acquired in the ordinary course of the business of the ROP. 	<p>2</p>	<p>Yes</p>	<p>We are satisfied that this condition is likely to be met having regard to:</p> <ul style="list-style-type: none"> The ordinary course of business which is the Applicants operation of a retirement village business.
<p>Notification and other conditions</p>			
<p>Requirement</p> <p><i>Sch 4, cl 2(3)(c) and 2(4)</i></p>	<p>Proposed special condition</p>	<p>Condition likely to be met?</p>	<p>OIO Analysis</p>

<p>Notification conditions</p> <p>The regulator must be notified of each transaction under the standing consent in accordance with the requirements of the consent.</p>	<p>5</p>	<p>Yes</p>	<p>We are satisfied that this condition is likely to be met having regard to:</p> <ul style="list-style-type: none"> • The Applicant’s history of compliance with consent conditions.
<p>Other conditions</p> <p>Additional discretionary conditions, including conditions limiting the scope of the standing consent.</p>	<p>Various, refer conditions</p>	<p>Yes</p>	<p>We are satisfied that this condition is likely to be met having regard to:</p> <ul style="list-style-type: none"> • The Applicant’s history of compliance with consent conditions.

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