

ASSESSMENT REPORT: Fletcher Residential Limited and Vivid Living Limited standing consent

Date	24-Jan-2024	Classification	In confidence: commercially sensitive
LINZ reference	202200239	Suggested deadline	24-Jan-2024

Pūtake/Purpose statement

Toitū Te Whenua Land Information New Zealand (**LINZ**) seeks your decision on an application for consent to acquire an interest in sensitive land under the Overseas Investment Act 2005 (**Act**).

Summary

Fletcher Residential Limited (**FRL**) and Vivid Living Limited, both owned by listed company Fletcher Building Limited, seek to acquire residential (but not otherwise sensitive) land under a standing consent to develop new homes. The Applicants target building over 1000 new residential homes annually and estimate the majority will be covered by the consent.

FRL was previously granted standing consents in April 2019 and March 2021 to acquire residential land. As the transactions available under earlier standing consents are close to being used up, the Applicants now seek a third standing consent.

For the reasons set out in this report, LINZ's recommendation is to **grant consent**.

Applicants	Fletcher Residential Limited and Vivid Living Limited Australia 45.5%; New Zealand 25.7%; United States of America 17.8%; Various 11%.	
Pathway	Standing consent for overseas investments in residential land.	
Proposed scope of the standing consent	Limit type	Limit recommended by LINZ
	Location	The territories of Auckland Council, Waikato Regional Council, and Canterbury Regional Council
	Developments	Transactions for up to 15 developments
	Land area	Up to 200 ha of sensitive land in total Up to 40 ha of sensitive land per transaction.
	Time	Must enter into transactions by 31 January 2027 Must complete transactions within five years from the date the transaction is entered into

Relevant tests	Investor test ¹ Increased housing test ² Non-residential use test ³
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Timing

LINZ accepted the application for processing on 7 July 2022. On 7 October 2022, LINZ was informed that the former Minister for Land Information had “called in” the application for Ministers to decide (the decision would otherwise have been made by LINZ). LINZ recommended that a standing consent be granted on 17 November 2022. A final decision was not made prior to the election.

The Minister for Land Information rescinded the call-in on 21 December 2023, provided that conditions limiting the use of private plan changes are imposed.

LINZ recommends that a decision be made as soon as possible.

Tohutohu/Recommendations

After considering the application, LINZ’s assessment is that:

- the investor test has been met;
 - the conditions of consent are likely to be complied with
- and therefore recommends that you grant the standing consent.

LINZ refers you to page 5 of this Assessment Report to record your decision.

Decision

Core tests

1. I determine that:

1.1. The ‘**relevant overseas person**’ is (collectively):

Relevant overseas person	Role
Fletcher Residential Limited (FRL)	Acquiring entity/Applicant
Vivid Living Limited (VLL)	Acquiring entity/Applicant
Fletcher Building Limited (FBL)	Ultimate 100% owner of the Applicants

1.2. The ‘**individuals with control of the relevant overseas person**’ are:

Individuals with control	Role
Steven Trevor Evans	Director of FRL and VLL

¹ Section 18A of the Act.

² Schedule 2, cl 11 of the Act

³ Schedule 2, cl 13 of the Act

Bevan John McKenzie	
Ross Harold Taylor	Chief Executive Officer FBL
Sandra Maree Broad	Director of FBL
Robert Stuart McDonald	
Martin Brydon	
Bruce Ronald Hassall	
Douglas Alexander McKay	
Catherine Agnes Quinn	
Barbara Joan Chapman	
Peter Charles Crowley	

- 1.3. None of the relevant overseas persons and individuals with control of the relevant overseas person have established any of the factors contained in section 18A(4) of the Act.
2. I am satisfied that the investor test in section 18A has been met.
3. I am satisfied, that the conditions of consent are likely to be complied with.
4. I note that the overseas investment in sensitive land is not a transaction of national interest under section 20A of the Act and the Minister of Finance has not notified it is a transaction of national interest under section 20B of the Act.
5. I am satisfied that the criteria for consent have been met (set out above). I grant - consent to the Investment in the form of the Proposed Decision in Attachment 1.

[s 9(2)(a)]

Anneke Turton
Leader - Assessment

Toitū Te Whenua LINZ

Rā/date: 24 January 2024

A. Background and proposed transaction

6. Fletcher Building Limited (**FBL**) is a New Zealand incorporated company listed on the New Zealand Stock Exchange and the Australian Stock Exchange.
7. FBL and its subsidiaries operate in New Zealand, Australia, and the South Pacific, mostly in the building industry. The group currently employs around 14,500 people including approximately 9000 people in New Zealand.
8. Two New Zealand incorporated FBL subsidiaries are co-applicants for this application (together the **Applicants**):
 - 8.1. Fletcher Residential Limited (**FRL**) is a residential housing developer that either acquires land to subdivide and develop for residential use or acquires developed lots for the construction of residential homes.
 - 8.2. Vivid Living Limited (**VLL**) is a recently established division of FBL's business to provide a retirement offering in conjunction with FRL's existing residential housing development business.
9. The Applicants seek to acquire residential (but not otherwise sensitive) land in order to build new residential dwellings.
10. FRL was previously granted standing consents in April 2019 (**SC1**) and March 2021 (**SC2**), collectively providing for up to 27 transactions. As the transactions available under SC1 and SC2 are close to being used up, the Applicants now seek a third standing consent.

B. Application of the Act

11. Standing consents limit the impact of the regime on large-scale developers that have strong track records of undertaking developments in New Zealand. The regime minimises compliance costs by allowing them to apply for consent once to complete a series of purchases, rather than to apply for consent in each case. Standing consents are therefore a faster and lower cost option for large-scale developers, and deliver more certain regulatory outcomes.
12. You may only grant a standing consent if:
 - 12.1. the investor test is met,⁵ and
 - 12.2. you are satisfied that certain conditions (para 14 below) are likely to be complied with.
13. Those conditions include:
 - 13.1. conditions to ensure that the increased housing test and non-residential use tests will be met,
 - 13.2. for new dwellings, conditions requiring:
 - dwellings to be either on-sold or rented to an occupier,

⁴Set out in sch 4, cl 2 of the Act.

⁵ Section 18A of the Act.

- the Applicants and certain others connected with the Applicants not to occupy the dwellings,
- 13.3. for other land that will not have dwellings built on it, conditions requiring that it be used for non-residential purposes,
 - 13.4. a condition that the regulator must be notified of the transaction, or each transaction, to which the consent will apply at the time, and in the manner, specified in the consent, and
 - 13.5. additional conditions, which may include:
 - conditions about the residential land (for example, limits by total land area, location of land, and geographic type of land), and
 - conditions about outcomes (for example, time frames for completing developments), and
 - limits on the number of overseas investments for which the standing consent can be relied on.
 14. The granting of a standing consent is discretionary. Other considerations that fall outside the criteria may be considered, provided they are relevant. If you take into account considerations outside of the criteria, you should have regard to the purpose of the Act generally, and the purpose of the increased housing pathway and standing consent regime specifically.
 15. LINZ has not identified any additional factors it considers are relevant to the assessment whether to grant this standing consent. LINZ can provide further advice if you wish to consider other matters.
 16. The investor test is assessed in Section C, the reasons for and proposed scope of the standing consent in Section D and the requirements for a residential standing consent in Section E. National interest matters area addressed in Section F.

C. Applicants and investor test

17. This section describes the Applicants and assesses whether the investor test is met.

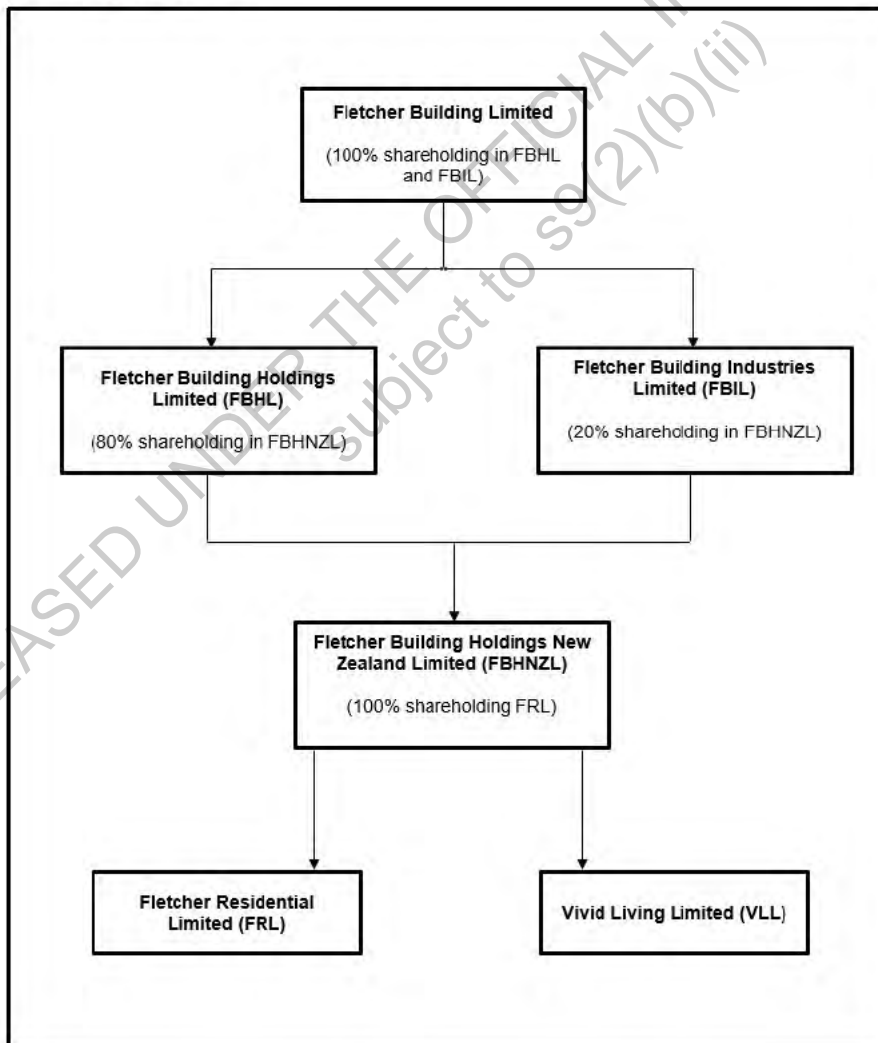
Business Activities

18. FRL has a long and established business history of land and residential housing development in New Zealand. VLL is the retirement village arm of the business.
19. FRL is one of the largest new house builders in NZ and has completed (and is currently undertaking) numerous large-scale residential developments. FRL is a residential housing developer that either acquires land to subdivide and develop for residential use or acquires developed lots for the construction of residential homes. FRL usually builds the residential homes itself but, at times, on sells lots to other housing developers to carry out the building works.
20. FRL sells the developed lots and the residential homes and mostly does not own completed residences other than as for display or show homes in its developments or, in the case of VLL, for the operation of long-term accommodation facilities.

21. The Applicants also wish to develop residential accommodation in buildings containing 20 or more residential dwellings, and may enter into long-term lease arrangements in respect of some of those dwellings rather than sell them. The retirement and long-term lease arrangements are discussed in further detail below at paragraphs 48 and 49.
22. FRL is a repeat investor which has been granted multiple previous consents under the Act, most recently in June 2022, in which consent was granted for FRL to acquire approximately 6 hectares of sensitive land at Ellerslie Racecourse, Auckland for a residential development.

Ownership and control

23. FRL and VLL are overseas persons as they are subsidiaries of a New Zealand listed issuer (FBL), where two or more overseas persons cumulatively have a beneficial entitlement to, or a beneficial interest in, 50% or more of FBL's securities. FBL is listed on the New Zealand and Australian stock exchange. Approximately 72.1% of the share capital in FBL is owned by overseas persons. No shareholders have a greater than 5% ownership of the share capital of FBL.



Relevant overseas person and individuals with control

24. LINZ recommends that the '**relevant overseas person**' is collectively:

Relevant overseas person	Role
Fletcher Residential Limited	Acquiring entity/Applicant
Vivid Living Limited	
Fletcher Building Limited	Ultimate owner of the Applicant

25. LINZ recommends that the '**individuals with control of the relevant overseas person**' (IWC)⁶ are:

Individuals with control	Role
Steven Trevor Evans	Director of FRL and VLL
Bevan John McKenzie	
Ross Harold Taylor	Chief Executive Officer FBL
Sandra Maree Broad	Director of FBL
Robert Stuart McDonald	
Martin Brydon	
Bruce Ronald Hassall	
Douglas Alexander McKay	
Catherine Agnes Quinn	
Barbara Joan Chapman	

The investor test

26. The investor test assesses whether investors are suitable to own or control sensitive New Zealand assets. The investor test forms part of the assessment of most consent applications. The test is applied to the relevant overseas persons, and any individuals with control who are also overseas persons. New Zealand citizens and those who are ordinarily resident in New Zealand are not subject to the investor test.
27. The investor test factors in s 18A of the Act are broken into two groups: *character* and *capability*. If none of the factors are met, then the investor test will be met. If one or more factors are met, then you must consider whether those factors make the person A unsuitable to own or control any sensitive New Zealand assets.
28. The character factors include:
- 28.1. convictions resulting in imprisonment or significant fines

⁶ Section 15.

- 28.2. corporate fines both in New Zealand and overseas
- 28.3. being ineligible to come to New Zealand.
29. The capability factors include:
- 29.1. prohibitions on being a director, promotor or manager of a company
- 29.2. penalties for tax avoidance or evasion
- 29.3. unpaid tax of \$5 million or more.
30. In this case, the relevant overseas persons and IWCs have established none of the factors contained in section 18A(4) of the Act. Accordingly, LINZ considers that **the investor test has been met.**

D. Requested standing consent

31. This section describes the Applicants' investment plans and reasons for seeking a standing consent, and the scope of the standing consent requested.

Reason for the standing consent

32. FRL is close to using up the total number of transactions permitted under SC1 and SC2, which is why the Applicants are seeking a third standing consent.
33. The Applicants state that they are committed to increasing residential housing stock in key areas of need, in particular, the greater Auckland region and Christchurch.
34. The Applicants aim to deliver housing projects as quickly as possible, and stress that obtaining consent under the Overseas Investment Act can cause delays. A further standing consent will enable the Applicants to proceed with housing developments immediately, after an agreement becomes unconditional in all other respects.
35. FRL advises that for many years it has focussed on lower price point houses and supporting local and national Government affordable housing initiatives. FRL considers that being able to be competitive in the market for the *acquisition* of land for development, increases the number of houses that it can provide (and the speed with which they are delivered to market) and, because of its focus on a lower price point, accordingly, the number of affordable houses.
36. FRL reports that by 31 March 2023, it had completed the sale of [REDACTED] houses in Auckland built on land acquired under the two earlier standing consents. Of these [REDACTED] were sold for less than the median house sale price, and [REDACTED] for more than the median house sale price.
37. The Applicants intend to use the residential land acquired under the standing consent for both increased housing and non-residential use.
- 37.1. The Applicants will acquire either newly developed lots with no existing residential homes on them, or land that is largely undeveloped (for example lifestyle land with an existing residential home that can be subdivided for the development of an increased number of residential houses).

- 37.2. Some of the land acquired may be used for the development of retirement villages where Occupation Rights Agreements (**ORA**) will be granted to residents aged 70+ who wish to retain their independence, but have access to the types of property maintenance and personal care services that are typically available in assisted living arrangements at retirement villages. The retirement villages will be operated by VLL (FBL's retirement business). The residents under the ORAs will have the use of communal areas such as common rooms and gardens, and VLL will be facilitating activities as well as providing security and emergency response systems. A third party will provide medical and healthcare services to residents as required.
- 37.3. The Applicants also intend to use the land to develop residential accommodation in buildings containing 20 or more residential dwellings and enter into long term lease arrangements in respect of some or all of those dwellings. These are known as **build-to-rent** developments. The Applicants will aim to on-sell the residential dwellings subject to the long-term lease arrangements to an end investor, who will hold and manage the long-term residential tenancies in the building. The Applicants also wish to be able to retain ownership until an end investor is available or if the Applicants are better placed to manage those tenancies.
- 37.4. The Applicants will retain the land which is used to operate retirement villages and the land subject to the long-term lease arrangements discussed above. The Applicants intend that these parcels of land will be excluded from the on-sale outcome as permitted by sch 2, cl 11(2) of the Act.
- 37.5. The Applicants may use part of the land for non-residential use such as for retail, café, or childcare facilities, however it states that in most cases this will be less than 10% of the total development. These non-residential uses are supplementary to the primary purpose of residential housing development and have previously been accepted as such in SC1 and SC2.

Scope of the standing consent

38. The following table outlines the scope of the standing consent requested and LINZ's assessment of that request.

Limit	Requested	LINZ comment
Location	Auckland, Waikato, and Christchurch regions	The requested locations are reasonable given then Applicants' investment plan.

Limit	Requested	LINZ comment
Number of transactions or developments	15	<p>The maximum number of transactions requested by the Applicants is reasonable given the nature of the Applicants' business operations, that it is consistent with the maximum granted in SC2.</p> <p>Standing consents have previously been limited to a stated number of <i>transactions</i>, however this has limited the effectiveness of the standing consent, and caused issues for both the consent holders and LINZ. LINZ proposes that this standing consent be limited to a specified number of developments instead, regardless of how many transactions are required to acquire the land for a particular development. This approach gives consent holders greater certainty, and makes the consent easier to monitor.</p>
Area	200 hectares	<p>The maximum area requested by the Applicants is reasonable given the Applicants' reasons for seeking consent, the nature of the Applicants' business, being a major provider of residential homes, the size of its typical developments, its consistency with the maximum area granted under SC2, and by comparison to other standing consent holders who have been granted a greater number of hectares.⁷</p>

E. Requirements for a residential standing consent

39. This section addresses the remaining criteria for a residential standing consent. In addition to being satisfied that the investor test is met, you must be satisfied that the conditions that will be imposed on the standing consent (both mandatory and discretionary) are likely to be met.⁸
40. The table in **Attachment 3** sets out the mandatory and proposed discretionary conditions and assesses whether each condition is likely to be complied with.

⁷ Ryman Healthcare Limited was granted consent to acquire a total of 500 hectares of residential land in July 2019 (case 201810238).

⁸ Schedule 4, cl 2(2)(b) of the Act.

41. LINZ considers that the conditions that will be imposed on the standing consent are likely to be met, having regard to the following factors:⁹
 - 41.1. the applicants' financial strength;
 - 41.2. the previous activity of the applicants (or associates or individuals with control of the relevant overseas person) regarding use of residential land; and
 - 41.3. the previous record of the applicants (or associates or individuals with control of the relevant overseas person) in complying with consent conditions or applying for consent conditions to be varied.

Proposed conditions of consent

42. The proposed conditions are set out in detail in **Attachment 1**.
43. The conditions address the minimum requirements of the Act, while preserving flexibility for the Applicants to develop a property as they deem appropriate. This flexibility includes the ability to develop new dwellings for on-sale, build-to-rent dwellings, or retirement accommodation
44. The conditions limit the number of *developments*, not the number of transactions (as in earlier standing consents). This gives the Applicants flexibility to acquire multiple parcels of land for a single development without "using up" additional transactions.
45. The Applicants will have up to about 13 years to complete a development. While none of the developments undertaken by FRL under the earlier standing consents are expected to take much longer than seven years, this flexibility allows for a larger staged development to be undertaken without the need for a further consent under the Act.
46. The conditions also include a limit on the use of private plan changes, proposed by the Minister for Land Information.

Financial strength

47. As the Applicants are ultimately subsidiaries of FBL, and their financial reporting is consolidated into the financial statements of FBL.
48. FBL is listed on the New Zealand and Australian stock exchanges. As at the end of June 2021 financial year FBL's asset value stood at \$8.01 billion. In the same financial year, FBL had a total income of \$381 million and net cash of \$666 million. FBL's market capitalisation is approximately \$3.52 billion.
49. The Applicants will fund the proposed transactions under the standing consent through existing cash reserves.
50. The Applicants have satisfied this requirement previously for SC1 and SC2, and LINZ consider that this requirement remains satisfied.

⁹ These are the factors set out in sch 2, cl 2(2) of the Act.

Previous activity regarding use of residential land

51. The Applicants have a long history of developing residential land in New Zealand and have continued to acquire residential land since SC1 and SC2 were granted.
52. The table in **Attachment 2** sets out (in detail) the planned development of the ■ developments that had been formally reported to LINZ by 30 August 2023.
 - 52.1. The reports show plans for ■ dwellings, including ■ standalone homes, ■ units, and ■ retirement units
 - 52.2. ■ dwellings had been completed, ■ were under construction, and ■ were yet to have been started.
 - 52.3. ■ houses are either affordable houses or will be sold to ■.
53. FRL estimates that the remaining ■ transactions yet to be reported to LINZ will result in at least ■ further new dwellings.
54. This level of development is broadly consistent with FRL's representations to LINZ in the course of applying for the earlier two standing consents.
 - 54.1. FRL targeted building over 1000 new residential homes annually (both on land under the standing consents, and otherwise).
 - 54.2. The time from purchase to completion would vary, with smaller developments taking up to five years, and large multi-stage developments taking as long as ten years.
 - 54.3. Land is sometimes set aside as part of its developments for non-residential use, such as for retail, cafe or childcare facilities however, this will in most circumstances be less than 10% of the total development (and usually substantially less).
 - 54.4. Sometimes land areas may also be set aside for reserve (recreational, drainage or otherwise) or other recreational purposes to enhance the amenity value of the development.

Record of compliance with consent conditions

55. FBL and its subsidiaries have been involved in more than 50 previous applications under the Act.
56. To date, they have been the subject of 12 investigations, five of which found that a breach of either the Overseas Investment Act or conditions of consent had occurred. None of the five breaches was serious. In the remaining seven cases, no breach was found.

Entity / case	Investigation	Action taken by LINZ
Fletcher Residential 201410052	Failure to report to LINZ that an agreement was reached with the Government in line with LINZ request	No action taken No action required as Fletcher had already disposed of the land. Not reporting agreement did not reach threshold for enforcement action

Entity / case	Investigation	Action taken by LINZ
Fletcher Building 201610032	Failure to comply with condition to consult DOC/WAC in time and being late in forwarding letters to LINZ	Warning letter Warning letter issued but no further action
Fletcher Concrete 201810037	Acquisition of land at Quarry Rd without consent	Warning letter Warning letter issued as the acquisition had occurred over 10 years earlier at which time Fletcher not aware that it required consent
Fletcher Distribution 201810330	Acquisition and variation of 1 ha lease without consent.	Warning letter Warning letter issued as the acquisition had occurred many years earlier (2001 and 2013) at which time Fletcher not aware that it required consent
Fletcher Distribution 202000806	Renewal of a Placemakers lease on Waiheke Island in 2015 without consent.	Compliance letter and administrative penalty The law firm acting was unaware that consent was required as the lease had previously had an exemption from the requirement for consent. Compliance letter issued requiring Fletcher to apply for a retrospective consent, which was subsequently granted.

57. As shown by the above table, only one breach of the Act involved the Applicants directly and it did not reach the standard for enforcement action.
58. None of the investigations have resulted in significant enforcement action or penalties. Where breaches of the Act have been identified, they have proven to be either historic or minor in nature.

Applicants' processes

59. The Applicants' processes for compliance were considered under SCI and SC2.

- 59.1. For each development the Applicants will engage a land certificate provider (usually Simpson Grierson) experienced in overseas investment matters. Checks will be undertaken by that land certificate provider to ensure that the land is residential only and not otherwise sensitive and the proposed transaction is within the scope of the standing consent.
- 59.2. In addition, the Applicants' in-house legal team is familiar with the Act and the requirements in relation to residential land (and has met with LINZ to discuss and understand the standing consent applications).
- 59.3. The Applicants' in-house legal team will work together with the Applicants' external lawyers to ensure that all reporting conditions are met, the scope of the standing consent is adhered to, and the outcomes are achievable.
60. The Applicants intend to use the same external lawyers to deal with the land acquisitions for the proposed transactions as have assisted the Applicants in preparing this application, so both the Applicants and the lawyers will be fully aware of the conditions of the standing consent.

F. Not a transaction of national interest

61. The National Interest test does not apply to applications for a standing consent. LINZ has therefore not referred this application to the Minister of Finance.
62. In the Ministerial Directive letter dated 21 November 2021 (which remains in force until revoked or amended), the previous Minister of Finance directed that the starting point is the assumption that overseas investment is in New Zealand's national interest, and that LINZ should only recommend the Minister of Finance exercise its discretion for a national interest assessment if the proposed investment:¹⁰
- 62.1. could pose risks to New Zealand's national security or public order;
 - 62.2. would grant an investor significant market power within an industry or result in vertical integration of a supply chain;
 - 62.3. has foreign government or associated involvement that was below the more than 25 per cent ownership or control interest threshold for automatic application of the national interest test, but granted that government (and/or its associates) disproportionate levels of access to or control of sensitive New Zealand assets;
 - 62.4. would have outcomes that were significantly inconsistent with or would hinder the delivery of other Government objectives;
 - 62.5. raises significant Treaty of Waitangi issues; or
 - 62.6. relates to a site of national significance (e.g. significant historic heritage).
63. LINZ does not consider that this investment engages any of these risk factors.

¹⁰ Ministerial Directive Letter (24 November 2021) at [46] and Annex at [11].

G. Conclusion

64. After considering the Application, LINZ's view is that:
- 64.1. the investor test has been met, and
 - 64.2. the conditions that will be imposed on the consent are likely to be met.
65. LINZ therefore recommends that you **grant the standing consent**.
66. If you agree, refer to **Attachment 1** to review the Proposed Decision (including consent conditions), and to **page 5** of this Assessment Report to record your decision.

H. Attachments

1. Proposed Decision
2. Property acquired under the earlier standing consents
3. Compliance with conditions of consent

RELEASED UNDER THE OFFICIAL INFORMATION ACT
subject to s9(2)(b)(ii)

Attachment 1 Proposed decision

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

Read this 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: [date]

The following people have been given the following standing consent:

Case	202200239
Consent type	Standing consent under s23A (Increased Housing Test, Non-Residential Use Test)
Consent holders	<p>(a) Fletcher Residential Limited (New Zealand company no. 952002).</p> <p>(b) Vivid Living Limited (New Zealand company no. 8184292)</p> <p>(c) Any overseas person in which Fletcher Residential Limited or Vivid Living Limited has a 95% or more ownership or control interest; and</p> <p>(d) Any overseas person in which Fletcher Residential Limited and Vivid Living Limited are the only overseas persons with an ownership or control interest.</p> <p>We will also refer to the Consent holders as you.</p>
Consent	You may give effect to overseas investments in residential (but not otherwise sensitive) land subject to the limits and conditions set out below.
Entry date	<p>The later of:</p> <ul style="list-style-type: none">• 31 January 2027• for land in the same development only, 12 months after the date on which the first transaction entered into in respect of that development, whichever is later.
Completion date	<ul style="list-style-type: none">• 12 months from the date on which a transaction which is not conditional on obtaining resource consent or a plan change is entered into, or• where the transaction is conditional on obtaining resource consent or a plan change, the earlier of:

	<ul style="list-style-type: none"> ○ 12 months from the date on which the required resource consent is granted or plan change is made, or ○ five years from the date on which the transaction is entered into.
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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 Toitū Te Whenua Land Information New Zealand as **LINZ, us or we**.

In these conditions, a transaction is **completed** when you become the registered owner of an estate or interest in residential (but not otherwise sensitive) land.

Development means one or more areas of land that either adjoin one another or are only separated from one another by a road, access way, utility lot or other similar area, and are being used to deliver increased housing outcomes (as defined in schedule 2, clause 11 of the Act) as part of a single project (including where a project is being delivered in stages), but only to the extent that each transaction for the acquisition of land for the development is entered into within 12 months of the first such transaction being entered into.

Special conditions

You must comply with the following **special conditions**. These apply specifically to this Consent and were considerations that particularly influenced us to give consent:

Details	Required date
Special Condition 1: Nature of land to be acquired	
Number of developments	
You may rely on this standing consent for transactions connected with up to 15 developments.	
When you may acquire the land	
You may not enter into a transaction after the entry date.	
You may not complete a transaction after the completion date.	
Maximum land area (total)	
You may obtain interests in residential (but not otherwise sensitive) land up to a total of 200 hectares.	

Details	Required date
Maximum land area (per Development)	
You may obtain interests in residential (but not otherwise sensitive) land up to a total of 40 hectares per Development.	
Location(s)	
<p>Any land acquired under the Consent must be within the territory of:</p> <ul style="list-style-type: none"> (a) the Auckland Council; (b) the Canterbury Regional Council; and/or (c) the Waikato Regional Council. <p>as those local authorities are defined in the Local Government Act 2002.</p>	
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: How land must be used	
<p>Land acquired under this standing consent must be promptly used for one or more of the following purposes:</p> <ul style="list-style-type: none"> (a) for increased housing or non-residential use under Special Condition 3; or (b) for long-term accommodation under Special Condition 4; or (c) for rental arrangements under Special Condition 5. <p>If you do not, Standard Condition 5 will apply and we may require you to dispose of land acquired under the standing consent.</p>	At all times
Special Condition 3: Increased housing / non-residential use outcomes	
<p>You may use the land:</p> <ul style="list-style-type: none"> (a) to increase the number of residential dwellings constructed on the land or for development works to support such construction; or (b) for non-residential purposes in the ordinary course of your business as a developer of residential dwellings (such as the development of commercial premises typically found in a residential area). 	At all times

Details	Required date
<p>You must meet the milestones in Special Condition 8 (as applicable).</p> <p>If you do not, Standard Condition 5 will apply and we may require you to dispose of land acquired under the standing consent.</p>	
<p>Special Condition 4: Operation of a long-term accommodation facility</p>	
<p>You may use the land for a long-term accommodation facility.</p>	<p>At all times</p>
<p>You must meet the milestones in Special Condition 8 (as applicable).</p> <p>If you do not, Standard Condition 5 will apply and we may require you to dispose of land acquired under the standing consent.</p>	
<p>Special Condition 5: Operation of rental arrangements</p>	
<p>You may construct one or more buildings that, taken together, will consist of 20 or more new residential dwellings.</p>	<p>As specified in the condition</p>
<p>All of the residential dwellings in any such single building must be dealt with under 1 of the following arrangements</p> <ul style="list-style-type: none"> (a) lease of the new residential dwelling to an occupier, or (b) use for purposes ancillary to the operation of the development (such as occupation by a manager or caretaker), or (c) on-sale in accordance with Special Condition 6. 	
<p>You must meet the milestones in Special Condition 8 (as applicable).</p> <p>If you do not, Standard Condition 5 will apply and we may require you to dispose of land acquired under the standing consent.</p>	

Details	Required date
Special Condition 6: On-sale outcome	
<p>You must sell every dwelling unless:</p> <ul style="list-style-type: none"> (a) it is being used as a show home under Special Condition 3; (b) it is used or to be used as a long term accommodation facility under Special Condition 4; (c) it is leased or to be leased to an occupier under Special Condition 5; or (d) as agreed otherwise with us. <p>If you do not, Standard Condition 5 will apply and we may require you to dispose of land acquired under the standing consent.</p>	<p>[REDACTED]</p>
<p>You must on-sell all interests in the land acquired under the standing consent, unless the land is being:</p> <ul style="list-style-type: none"> (a) used for a long-term accommodation facility under Special Condition 4, or (e) leased or to be leased to an occupier under Special Condition 5; or (b) as agreed otherwise with us. <p>If you do not comply with Special Condition 5, Standard Condition 5 will apply and we may require you to dispose of land acquired under the standing consent.</p>	<p>[REDACTED]</p>
Special Condition 7: Non-occupation outcome	
<p>Prior to you disposing of the land (or at any time where the land is not subject to a disposal requirement), none of the following people may occupy the land acquired under the standing consent for residential purposes:</p> <ul style="list-style-type: none"> (a) You. (b) Any overseas person with a more than 25% or more ownership or control interest in any of the people in (a). (c) Any overseas person who occupies the land other than on arm's-length terms¹¹. (d) Any overseas person who has a beneficial interest in, or beneficial entitlement to, the relevant interest in the land. (e) If (a) is a trust, any beneficiary (direct or indirect) who may benefit under the trust at the trustees' discretion. 	<p>While you, or any of the people outlined in paragraphs (b) – (e), has any relevant interest in the land</p>

¹¹ 'At arm's-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.

Details	Required date
<p>If any such persons do occupy land acquired under the standing consent for residential purposes, Standard Condition 5 will apply and we may require you to dispose of that land.</p>	
<p>Special Condition 8: Milestones</p>	
<p>You must meet the milestones set out in the appendix.</p>	
<p>Special Condition 9: Notice of individual acquisitions</p>	
<p>You must notify us of each transaction completed under this Standing Consent (Notice).</p> <p>1. Each Notice may relate to one or more transactions, provided each transaction relates to the same Development. Different transactions within one Development may also be notified at different times.</p>	<p>No later than six months after the transaction is completed</p>
<p>2. Each Notice must include:</p> <ul style="list-style-type: none"> (a) the date you completed the transactions, (b) a copy of the agreement for sale and purchase for each transaction; (c) the consideration paid (plus GST if any), (d) the structure by which the acquisition was made and who acquired the land, (e) copies of any transfer documents and settlement statements, (f) a current and historical copy of the record of title for each parcel of land acquired, (g) a land status certificate including a map of the location, cadastral map, and aerial photo identifying the land, (h) details of all previous land acquired under this Standing Consent and the total amount of area acquired to date, and (i) identify the development the land relates to. 	
<p>3. Each Notice must also include (unless a development plan has already been provided, or we agree otherwise) a development plan for the land which includes information identifying:</p> <ul style="list-style-type: none"> (a) the stages of development, and in particular the anticipated: <ul style="list-style-type: none"> • timeframe for obtaining any relevant consents; • commencement date; • dwellings completion date. 	

Details	Required date
<p>(b) the areas which are to be used for increased housing and non-residential use and the number of dwellings to created;</p> <p>(c) the areas that will be used for long-term accommodation, the number of dwellings to be created, and a description of the communal facilities to be developed;</p> <p>(d) the areas that will used for rental arrangements, the number of rental dwellings to be created, and a description of the rental arrangements likely to be in place.</p>	
Special Condition 10: Private plan change	
<p><u>Before completing a transaction:</u></p> <p>You must not enter into or complete a transaction to acquire land if you are a party to a private plan change in respect of that land, unless the land was entirely within one or more permitted zones at the time you became a party to the private plan change.</p>	At all times
<p><u>After completing a transaction:</u></p> <p>You must not request, or become a party to a request for, a private plan change unless the land is entirely within one or more permitted zones</p> <p>If you do, Standard Condition 5 will apply and we may require you to dispose of land acquired under the standing consent.</p>	At all times

Details	Required date
<p>In this condition:</p> <ul style="list-style-type: none"> • permitted zone means land is entirely within one or more zones defined in the following chapters in part 3 of table 4 of the National Planning Standards 2019 (which defines the standard district plan structure): <ul style="list-style-type: none"> • Residential Zones (but excluding land in a large lot residential zone that adjoins a rural zone or a future urban zone) • Commercial and Mixed Use Zones • Industrial Zones, or • Special Purpose Zones (excluding a future urban zone and an “Additional Special Purpose” zone) • private plan change means a request under schedule 1, clause 21(1) or (2) of the Resource Management Act 1991 (or any replacement for that enactment or process) • you will be a party to a private plan change if you or a person who is associated with you (as defined in section 8 of the Act) for the purposes of the request makes the request or provides financial support for the request. 	

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 interest in land	
<p>If you acquire an interest in land under this Consent, you must do so:</p> <ol style="list-style-type: none"> 1. by the Completion Date stated in the Consent, 2. using the acquisition, ownership and control structure you described in your application. <p>Note, only you – the named Consent Holders – may acquire the interest in land, not your subsidiary, trust or other entity.</p>	As stated in the Consent.
Standard Condition 2: allow us to inspect the land	
<p>Sometimes it will be helpful for us to visit the land so we can monitor your compliance with the Conditions.</p> <p>We will give you at least two weeks’ written notice if we want to do this.</p>	At all times.

Details	Required date
<p>You must then:</p> <ol style="list-style-type: none"> 1. Allow a person we appoint (Inspector) to: <ol style="list-style-type: none"> (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. 	
<ol style="list-style-type: none"> 2. Take all reasonable steps to facilitate an Inspection including: <ol style="list-style-type: none"> (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. 	
<ol style="list-style-type: none"> 3. During an Inspection: <ol style="list-style-type: none"> (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. 	

Details	Required date
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. 	At all times.
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. 	Within 20 working days after the change.
Standard Condition 5: dispose of the land if you do not comply with key special conditions	
<p>If all or part of this Standard Condition 5 applies to a special condition, we have said so in that special condition.</p> <p>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>We will give you written notice if we require you to dispose of the 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>	Within six weeks of the date of our notice.
<p>Market the land: instruct a licensed real estate agent to actively market the land for sale on the open market.</p>	Within six weeks of the date of our notice.

Details	Required date
Dispose of the land: dispose of the land to a third party who is not your associate.	Within six months of our notice.
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.	Within nine months of our notice.
Report to us about marketing: tell us in writing about marketing activities undertaken and offers received for the land.	By the last day of every March, June, September and December after our notice or at any other time we require.
Report disposal to us: send us, in writing, evidence: (a) that you have disposed of the Land (including copies of sale and purchase agreements, settlement statements and titles showing the purchaser as registered proprietor), and (b) that the purchaser is not your associate.	Within one month after the land has been disposed of.

Reporting conditions

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

You must:

- 1) notify us of each transaction completed under this Standing Consent as set out in special condition 9; and
- 2) Report to us annually (by 1 May each year) about your progress on implementing the milestones set out in special condition 8 for each development, and update the details required by special condition 9(2) if those details are different from the details provided with the notice of acquisition.

Power to vary reporting date

The dates on which reports are due to be provided may be changed by agreement between the regulator and the consent holder, provided that this power may not be used to give a time extension for an individual report.

Power to narrow scope of reports

The regulator may temporarily or permanently waive the requirement to report on a particular matter.

Power not to require further reporting

The regulator may waive the requirement to submit a report and may waive the requirement for future reporting.

Appendix: Milestones

You must meet the following milestones:

Milestone condition	Date for completion
In all cases:	
Submission of resource consent for subdivision development if required	<p>Where the transaction is conditional on obtaining resource consent or a plan change, ■■■■■ from the date on which the last transaction for land required for a development is entered into.</p> <p>In all other cases, the earlier of:</p> <ul style="list-style-type: none"> ■■■■■ from the date on which the last transaction for land required for a development is completed, or ■■■■■ of the date on which the transaction is entered into.
Commencement of construction of earthworks on the first stage of the land/other development work if required	■■■■■ from the date of obtaining resource consent.
Where Special Condition 3 applies:	
Separate titles issued for first stage of development	■■■■■ from the date of obtaining resource consent.
First sections marketed for sale or first building consents lodged for housing construction for the first dwellings	■■■■■ from titles issuing
Complete first dwellings	<p>For fee simple dwellings, ■■■■■ from the date building consent is obtained or titles issued (whichever is later).</p> <p>For unit titled dwellings, ■■■■■ from the date building consent is obtained or titles issued (whichever is later).</p> <p>For dwellings that are not separately titled, ■■■■■ from the date building consent is obtained or titles issued (whichever is later).</p>
Where Special Conditions 4 and 5 apply:	
First dwellings marketed for occupation	■■■■■ from issue of resource consent or ■■■■■ follow titles issuing (if titles are issued).

Milestone condition	Date for completion
Complete first dwellings	<p>For fee simple dwellings to be separately titled, [REDACTED] from the date building consent is obtained or titles issued (whichever is later).</p> <p>For unit titled dwellings to be separately titled, [REDACTED] from the date building consent is obtained or titles issued (whichever is later).</p> <p>For dwellings that are not separately titled, [REDACTED] from the date building consent is obtained.</p>

RELEASED UNDER THE OFFICIAL INFORMATION ACT
subject to s9(2)(b)(ii)

Attachment 2 Property acquired under the earlier standing consents

First standing consent (as at 30 August 2023)

Address	Houses	Units	Retirement	Complete	Building	Not started	Total
[REDACTED]	■			■	■	■	■
[REDACTED]	■			■	■	■	■
[REDACTED]	■	■		■	■	■	■
[REDACTED]	■			■	■	■	■
[REDACTED]	■	■		■	■	■	■
[REDACTED]	■			■	■	■	■
[REDACTED]	■	■		■	■	■	■
[REDACTED]	■	■		■	■	■	■
[REDACTED]	■			■	■	■	■
[REDACTED]	■			■	■	■	■
[REDACTED]	■			■	■	■	■
[REDACTED]	■			■	■	■	■
[REDACTED]	■			■	■	■	■
[REDACTED]	■			■	■	■	■
[REDACTED]	■			■	■	■	■
[REDACTED]	■	■	■	■	■	■	■

RELEASED UNDER THE OFFICIAL INFORMATION ACT
 subject to s9(2)(b)(ii)

Second standing consent (as at 30 August 2023)

Address	Houses	Units	Retirement	Complete	Building	Not started	Total
[REDACTED]	■		■	■	■	■	■
[REDACTED]	■		■	■	■	■	■
[REDACTED]	■	■	■	■	■	■	■
[REDACTED]	■	■	■	■	■	■	■
[REDACTED]	■	■	■	■	■	■	■
[REDACTED]	■	■	■	■	■	■	■

RELEASED UNDER THE OFFICIAL INFORMATION ACT
 subject to s9(2)(b)(ii)

Attachment 3 Compliance with conditions of consent

Increased housing test

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).

Requirements <i>Sch 4, cl 2(3)(a)-(b) and sch 2, cl 11</i>	LINZ Analysis
<p>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>Proposed special condition: 3</p> <p>Special condition 3 requires the increased housing outcome to occur. This condition requires the Applicants to use the land either:</p> <ul style="list-style-type: none">• to increase the number of residential dwellings constructed on the land or for development works to support such construction; or• for non-residential uses in the ordinary course of business. <p>LINZ is satisfied that this condition is likely to be met for the part of the land that the increased housing test applies to having regard to:</p> <ul style="list-style-type: none">• the Applicants' core business of developing residential land for housing, and• the Applicants' intention to undertake residential development on the land (the Applicants target building 1000 new residential homes annually and it is intended that the developments to be covered by the standing consent will help deliver these residential homes).
<p>On-sale outcome</p> <p>The on-sale outcome will, or is likely to, occur (unless exempt).</p>	<p>Proposed special condition: 6</p> <p>Special condition 6 requires the on-sale outcome to occur. This condition requires the Applicants to on-sell all interests in the land acquired within 10 years of the date of acquisition except where:</p> <p>(a) the land is used for a long-term accommodation facility (eg: retirement accommodation); or</p>

Requirements <i>Sch 4, cl 2(3)(a)-(b) and sch 2, cl 11</i>	LINZ Analysis
	<p>(b) the land is used for a “build-to-rent” development.</p> <p>The Applicants must sell every residential dwelling within [REDACTED] of completion if it is a fee simple dwelling, or within [REDACTED] if it is a unit titled dwelling, unless it is used:</p> <p>(a) as a show home; or</p> <p>(b) as a long-term accommodation facility; or</p> <p>(c) for a “build-to-rent” facility; or</p> <p>(d) as agreed otherwise with LINZ.</p> <p>LINZ is satisfied that this condition is likely to be met having regard to:</p> <ul style="list-style-type: none"> the Applicants having four dedicated sales branches which focus on pre-selling or selling completed homes, the Applicants’ strong record of compliance, including the delivery of new dwellings for on-sale, and the Applicants’ acceptance of the increased housing conditions.
<p>Non-occupation outcome</p> <p>The non-occupation outcome will, or is likely to, occur.</p>	<p>Proposed special condition: 7</p> <p>Special condition 7 requires the non-occupation outcome to occur. This condition prohibits the Applicants and their associates from occupying the land.</p> <p>LINZ is satisfied that this condition is likely to be met having regard to the Applicants’ acceptance of the increased housing conditions including the non-occupation outcome except for in the excluded circumstances being where:</p> <p>(a) land is used for a long-term accommodation facility; or</p>

Requirements <i>Sch 4, cl 2(3)(a)-(b) and sch 2, cl 11</i>	LINZ Analysis
	(b) land is used to construct one or more buildings that, taken together, will consist of 20 or more new residential dwellings and are leased to an occupier, or used for purposes ancillary to the operation of the development (such as occupation by a manager or caretaker).

Relevant business

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.

Given the nature of the proposed investments, LINZ considers the relevant business is the residential land (housing) development business of the Applicants.

The Applicants are part of one of the largest housing developers in New Zealand, and we therefore are satisfied that the business is likely to continue for a reasonable period of time.

Relevant business

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).

Requirements <i>Sch 4, cl 2(3)(a)-(b) and sch 2, cl 13</i>	LINZ Analysis
Non-residential use outcome The residential land:	Proposed special condition: 3

Requirements <i>Sch 4, cl 2(3)(a)-(b) and sch 2, cl 13</i>	LINZ Analysis
<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>LINZ is satisfied that this condition is likely to be met having regard to the Applicants potentially using part of the land for non-residential use which is supplementary to the development of residential housing such as for retail, café or childcare facilities.</p> <p>Special condition 3 requires the non-residential use outcome to occur. This condition requires the Applicants to use the land either:</p> <ul style="list-style-type: none"> (a) to increase the number of residential dwellings constructed on the land or for development works to support such construction; or (b) for non-residential uses in the ordinary course of business.
<p>Timeframe for non-residential use</p> <p>The non-residential use outcome will, or is likely to, occur within either:</p> <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>Proposed special condition: 7</p> <p>LINZ is satisfied that this condition is likely to be met having regard to:</p> <ul style="list-style-type: none"> • the Applicants' statement that it is unlikely that the non-residential use will occur within one year of the acquisition because the development of these non-residential areas will take longer than a year, but that in the interim the land will be either vacant or under development so will not be occupied for residential use; • the non-residential outcome will likely occur within a "specified period", prior to which the non-occupation outcome will occur; • the Applicants must dispose of all interests in any acquired land within 10 years by which time the non-residential use outcome will have occurred. <p>Special condition 7 requires the non-occupation outcome to occur. This condition prohibits the Applicants and their associates from occupying the land.</p>

Notification and other conditions

Requirements <i>Sch 4, cl 2(3)(c) and 2(4)</i>	LINZ Analysis
<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>Proposed special condition: 9</p> <p>Special condition 9 will require the Applicants to notify the regulator of each transaction undertaken within one month of settlement. Each notice will contain full details of the land acquired and how that land will be used, including a development timeline (with anticipated timeframes for obtaining relevant consents, commencement of construction and dwelling completion milestones etc).</p> <p>LINZ is satisfied that the regulator will be notified of the transaction, or each transaction, to which the consent will apply at the time, and in the manner, specified in the consent.</p>
<p>Other conditions</p> <p>Additional discretionary conditions, including conditions limiting the scope of the standing consent.</p>	<p>Proposed special condition: 1 and 8</p> <p>Special condition 1 restricts the land which can be acquired under this standing consent.</p> <p>Special condition 8 imposes milestones which must be completed with regard to each development.</p> <p>Special condition 10 limits the use of private plan changes.</p> <p>LINZ is satisfied that the conditions will be complied with, having regard for the Applicants' strong record of compliance with conditions imposed under the Act and high levels of engagement with LINZ.</p>