

BRF 24-195 OI Assessment Report 202300190 – Industrie Property Rua Limited

Ki / To: Hon Nicola Willis, Minister of Finance
 Hon Chris Penk, Minister for Land Information

Rā / Date: 4 December 2023

Ngā mahi e hiahiatia ana / Action Sought

Minita/Minister	Hohenga/Action	Rā Mutunga/Deadline
Hon Nicola Willis, Minister of Finance and Hon Chris Penk, Minister for Land Information	<ol style="list-style-type: none"> Review this report and consult with each other if desired; Determine whether to grant consent and, if so, on what conditions; and Indicate your decision from page 4. 	21 December 2023

Toitū Te Whenua LINZ Whakapā / Contacts

Ingoa/Name	Tūnga/Position	Nama waea/ Contact number	Whakapā tuatahi/ First contact
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Pūtake/Purpose statement

We seek your decision on an application for consent to acquire an interest in sensitive land under the Overseas Investment Act 2005 (**Act**).

Summary

Applicant	Industre Property Rua Limited New Zealand 46.64% USA 15.32% Various 38.04%
Vendor	Southpark Agri Facility Limited New Zealand 94.5% Japan 5.5%
Investment	Acquisition of sensitive land
Land	A freehold interest in approximately 57.9982 hectares of land located at 16 Wickham Street & 16A Wickham Street, Frankton, Hamilton
Consideration	\$96,380,500
Sensitivity	Is more than 5 hectares of non-urban land Includes residential land
Pathway	Benefit to NZ
Relevant tests	Investor test ¹ Benefit to NZ test ² – residential land outcome; farm land benefit test Farm land offer criterion ³ National interest criterion ⁴

The Applicant is a New Zealand joint venture company ultimately owned by NZX-listed Stride Property Limited and a group of international institutional investors.

The Applicant is acquiring approximately 58 hectares of land in Frankton, Hamilton to develop into a commercial, industrial and logistics complex. A plan change and/or resource consents are required to enable this development.

The key benefits likely to occur as a result of the investment are creation of jobs, increased capital expenditure, promotion of development and infrastructure of the Waikato Region and promotion of economic competitiveness of New Zealand. The investment is also likely to advance government's regional development policies.

¹ Section 18A of the Act.

² Sections 16A(1C), 16(1)(e) & 16A(1) of the Act.

³ Section 16(1)(f) of the Act.

⁴ Section 16(1)(g) of the Act.

Timing

LINZ's assessment timeframe required a decision by 20 October 2023. This timeframe was not met due to the timing of the New Zealand general election. A decision is required by 21 December 2023 to enable the applicant to meet its commercial deadline of 22 December 2023.

Tohutohu/Recommendations

After considering the application, Toitū Te Whenua Land Information New Zealand's (LINZ) assessment is that:

- the investor test has been met;
- the farm land offer test has been met;
- the transaction is not considered to be a transaction of national interest; and
- the benefit to New Zealand test is met.

LINZ refers you to page 4 of this Assessment Report to record your decision.

s9(2)(a)

Anneke Turton

Leader Assessment

Overseas Investment - LINZ

Rā/date: 04/12/2023

Released under the Official Information Act 1982

Decision

Core tests

1. I determine that:

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

Relevant overseas person	Role
Industry Property Rua Limited (Industre)	Applicant and acquiring entity
AP SG 17 Pte Ltd (APSG)	Joint venture partner
Stride Industrial Property Limited (SIPL)	Joint venture partner
Strategic Property Fund Asia SCSp (SPF Asia)	99.85% owner of APSG
Stride Property Limited (SPL)	100% owner of SIPL
Stride Investment Management Limited (SIML)	Joint Venture Manager

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

Individuals with control	Role
Vincent Michael Gin	Director of Industre, Member of the Approvals Committee of the Joint Venture
Timothy Ian Mackenzie Storey	Director of Industre, Director of SPL, Director of SIML, Director of SIPL, Member of the Approvals Committee of the Joint Venture
Philip Michael Littlewood	Director of SIPL, Member of the Management Committee of the Joint Venture
Ross James Patrick Buckley	Directors of SPL, Directors of SIML
Tracey Kim Jones	
Jacqueline Margaret Cheyne	
Michelle Patricia Tierney	
Nicholas Simon Jacobson	

Individuals with control	Role	
s9(2)(a)	Directors of APSG	
		Members of the Management Committee of the Joint Venture

- 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.

Hon Nicola Willis

Hon Chris Penk

Agree

Agree

Disagree

Disagree

3. I am satisfied, in relation to the benefit to New Zealand test in sections 16 and 16A, that:

- 3.1. the overseas investment will, or is likely to, benefit New Zealand (or any part of it or group of New Zealanders);
- 3.2. the benefit is proportionate to the sensitivity of the land and the nature of the transaction;
- 3.3. the benefit will be, or is likely to be, substantial in relation to one of more of the factors of high relative importance for farm land; and
- 3.4. the conditions relating to residential land to be imposed on the consent in accordance with section 16B will be, or are likely to be, met.

Hon Nicola Willis

Hon Chris Penk

Agree

Agree

Disagree

Disagree

4. I am satisfied that the farm land offer criterion in section 16(1)(f) has been met.

Hon Nicola Willis

Agree

Disagree

Hon Chris Penk

Agree

Disagree

National interest assessment

5. 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.

Hon Nicola Willis

Noted

Hon Chris Penk

Noted

Decision about whether to grant or decline consent

6. My ultimate decision is to:

Hon Nicola Willis

Grant consent subject to the conditions in the Proposed Decision in **Attachment 1**

Grant consent with amended conditions provided on:

Decline consent

Hon Chris Penk

Grant consent subject to the conditions in the Proposed Decision in **Attachment 1**

Grant consent with amended conditions provided on:

Decline consent

Hon Nicola Willis

Date: 22 / 12 / 23

Hon Chris Penk

Date: 14 / 12 / 2023

A. Background and proposed transaction

7. Industrie Property Rua Limited (**Applicant**) is a New Zealand joint venture company ultimately owned by NZX-listed Stride Property Limited and a group of international institutional investors.
8. The Applicant seeks consent to acquire approximately 58 hectares of land in Frankton, Hamilton (**Land**) to develop into a commercial, industrial and logistics complex (**Investment**).
9. The Applicant intends to develop the Land into a facility with up to 30 industrial, manufacturing or commercial lots (**Facility**).

Land

10. The land is located at 16 Wickham Street & 16A Wickham Street, Frankton, Hamilton.
11. For purposes of this application, the Land is categorised into three sites:
 - a. **Main Site** – approximately 33.3 hectares⁵;
 - b. **Higgins Site** – approximately 7.8866 hectares⁶; and
 - c. **Retained Land** – approximately 16.8 hectares⁷.
12. Below is the aerial view of the Land:



Figure 1 – Aerial View of the Land

⁵ Part Record of Title 1100386.

⁶ Record of Title 1100385.

⁷ Part Record of Title 1100386.

13. The Land is currently used for occasional coarse grazing of animals with short-term leases from time to time for cattle dry run grazing. Approximately 2 hectares of the Land is used as a laydown yard for temporary storage of equipment and vehicles in relation to the Vendor's transportation and logistics business.
14. The Land is classified as having LUC⁹ 2 soils which are considered to be highly productive land under the National Policy Statement for Highly Productive Land 2022 (**NPS HPL**).

Land zoning and status

15. The Land is within the Waipā District Council boundary, adjacent to the south-western boundary of Hamilton City, but there is an intention to move the Land within the territory of Hamilton City Council.⁹ The Land is currently zoned 'rural' in the operative Waipā District Plan.
16. The Land is part of an area in the Future Proof Strategy¹⁰ as an 'area for future investigation.' This means that the Land has not been identified as needed to provide industrial/commercial land over the next 30 years.¹¹
17. Approximately 7.7 hectares of the Land is currently designated to be acquired by Waka Kōtahi for a major road as part of the Southern Links Project.¹² Southern Links is still at an early stage of development and no decision has been made about construction.¹³
18. Further photos of the Land can be found in **Attachment 3**.

Vendor

19. The Land is owned by Southpark Agri Facility Limited (**Vendor**), a New Zealand company engaged in transportation and logistics business. The Vendor is selling the Land to **s9(2)(a)**
[REDACTED]

B. Application of the Act

20. The Land is sensitive because it is non-urban land over 5 hectares in size and the Higgins Site is also a residential land,¹⁴ so consent is required.¹⁵ The following criteria for an investment in sensitive land apply to this application:¹⁶
 - The investor test must be met.¹⁷

⁹ LUC means Land Use Capability.

⁹ 2022 Strategic Land Agreement between Hamilton City Council and Waipā District Council. More on this topic under the *Likelihood* sub section below.

¹⁰ A 30-year growth management and implementation plan for the Hamilton, Waipā and Waikato sub-region, including setting a settlement pattern to provide sufficient housing and business land for 30+ years. < <https://futureproof.org.nz/the-strategy/> >

¹¹ Waikato Regional Council comments on this application, 20 June 2023. More on this topic under *Consultations and submission about the investment* section below.

¹² The Southern Links Project is a NZD600 million transport network of state highway and urban arterial routes linking SH1 from Kahikatea Drive in Hamilton to the Waikato Expressway at Tamahere and SH3 from Hamilton Airport to central and east Hamilton.

¹³ Waka Kotahi does not currently have funding allocated for the project. Getting the designations in place protects the network so it can be built when required in the future. < <https://www.nzta.govt.nz/projects/southern-links/> >

¹⁴ Table 1, Part 1, Schedule 1 of the Act.

¹⁵ Under sections 10(1)(a) and 12(1)(a)(i) of the Act.

¹⁶ Set out in section 15(1) of the Act.

¹⁷ Section 18A / 16(1)(a) of the Act.

- The benefit to New Zealand test must be met.¹⁸
- The farm land must have been offered for sale on the open market,¹⁹ unless exempt.²⁰
- You must also note whether the Investment is a transaction of national interest and, if so, whether the Minister of Finance has decided that the Investment is contrary to New Zealand's national interest.²¹

21. In order to satisfy the benefit to New Zealand test, the decision-maker must:

- Determine that the Investment will, or is likely to, benefit NZ (or any part of it or group of New Zealanders);²² and
- determine that benefit will be, or is likely to be, substantial in relation to one of more of the factors of high relative importance for farm land²³ (unless the farm land benefit test is disapplied²⁴); and
- because the Higgins Site is residential:
 - determine a residential land outcome;²⁵
 - apply conditions of consent for the residential land outcome; and
 - be satisfied that those conditions are likely to be met.²⁶

22. We assess the investor test in Part C, the benefit to New Zealand test in Part D, the farm land offer test in Part E, and discuss national interest matters in Part F.

C. Applicant and investor test

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

Ownership and control

24. The Applicant is part of Industrie Property Joint Venture (**Industre Property JV**), an unincorporated joint venture between Stride Industrial Property Limited (**SIPL**) and AP SG 17 Pte Ltd (**APSG**).
25. SIPL is wholly owned by Stride Property Limited (**SPL**). SPL is part of Stride Property Group (**Stride**), a NZX-listed stapled group comprising of SPL and its subsidiaries²⁷, and Stride Investment Management Limited (**SIML**).
26. APSG is 99.85% owned by Strategic Property Fund Asia SCSp (**SPF Asia**), a special limited partnership.

¹⁸ Sections 16A(1C), 16(1)(e) & 16A(1) of the Act.

¹⁹ Section 16(1)(f) of the Act.

²⁰ Section 20(1)(a) or (b) of the Act.

²¹ Section 16(1)(g) of the Act.

²² Section 16A(1)(a) of the Act.

²³ Section 16A(1C)(b) of the Act. This criterion applies because the Land is farm land over 5 ha in size.

²⁴ Section 16A(1D) of the Act.

²⁵ Section 16B(3)(a). The Act specifies a range of outcomes to choose from in clause 19, Schedule 2 of the Act.

²⁶ Section 16A(1)(b) of the Act.

²⁷ Stride Holdings Limited, Stride Industrial Property Limited, and Fabric Property Limited.

27. A simplified ownership diagram is set out below.

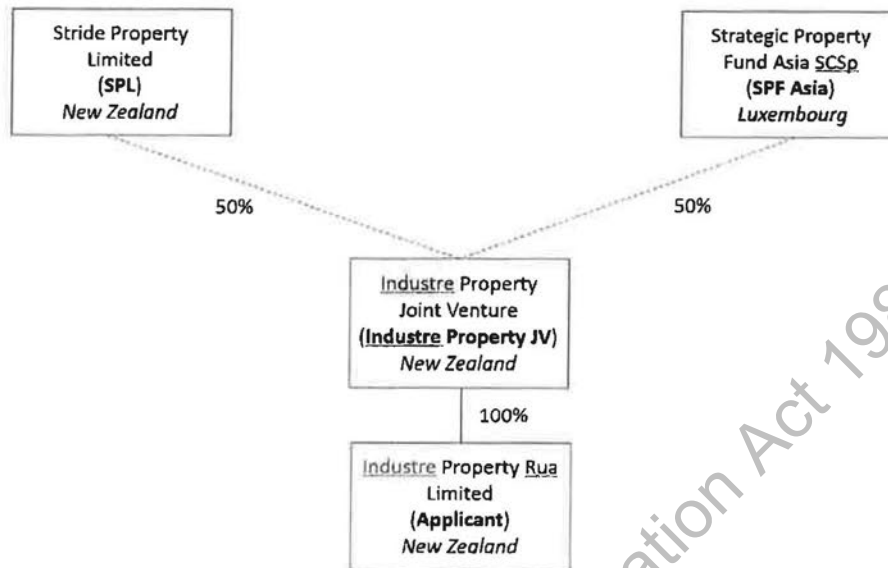


Figure 2 – Simplified Ownership Structure

28. A Management Committee represents the interests of Industre Property JV participants. All decisions approved by the Management Committee must also be approved by the members of the Approval Committee.²⁸
29. SIML manages the business and assets of Industre Property JV. The Applicant, APSG, SIPL, SPL and SIML are controlled by their respective boards of directors.
30. SPF Asia’s general partner is Strategic Property Fund Asia (GP) S.à.r.l. However, the board of directors of the general partner has no or little influence over the Investment, thus we do not consider the board of directors of the general partner to be individuals with control.

Business Activities

Industre Property Rua Limited

31. The Applicant operates as an investment entity that is solely focussed on investing and developing industrial property in New Zealand. Its investments include both the:
- (a) acquisition and leasing to third parties of existing industrial properties; and
 - (b) acquisition of under-utilised land for the purposes of developing new industrial properties to be leased to third parties.
32. The Applicant currently owns five industrial properties in Hamilton, Henderson and Gisborne.²⁹

²⁸ For so long as the SPF Asia-owned entity (that is AP SG 17 Pte Ltd) has greater than 20% of the voting rights on the Management Committee.

²⁹ They are located in (a) 16 Wickham Street, Hamilton; (b) 11 Selwood Road, Henderson; (c) 1-3 Selwood Road, Henderson; (d) 6-12 The Concourse, Henderson; and (e) 65-75 Innes Street, Gisborne.

Stride

33. Stride owns office and town centre assets³⁰ and invests in industrial properties, retail properties, and shopping centres.³¹

SPF Asia

34. SPF Asia invests in office, residential, industrial, logistics and retail properties with a geographic focus in the Asia Pacific.

Industre Property JV

35. Industre Property JV, one of the managed entities of Stride, invests in industrial properties. Industre Property JV holds consent under the Act³² to acquire sensitive land in five locations in Auckland for industrial purposes.

Relevant overseas person and individuals with control

36. We recommend that the 'relevant overseas person' is (collectively):

Relevant overseas person	Role
Industry Property Rua Limited (Industre)	Applicant and acquiring entity
AP SG 17 Pte Ltd (APSG)	Joint venture partner
Stride Industrial Property Limited (SIPL)	Joint venture partner
Strategic Property Fund Asia SCSp (SPF Asia)	99.85% owner of APSG
Stride Property Limited (SPL)	100% owner of SIPL
Stride Investment Management Limited (SIML)	Joint Venture Manager

37. We recommend that the 'individuals with control of the relevant overseas person' (**IWC**)³³ are:

Individuals with control	Role
Vincent Michael Gin	Director of Industre, Member of the Approvals Committee of the Joint Venture

³⁰ Stride's town centre properties are located in regions within Auckland – Silverdale Centre is located in the north of Auckland, near the regions of Silverdale, the Hibiscus Coast and Orewa; NorthWest Shopping Centre is located in the west of Auckland, near suburbs of Whenuapai, Hobsonville and Red Hills ([Stride Annual Report 2023](#)).

³¹ Stride owns these interests through SPL. These are held through Stride's managed entities Industre Property JV, Investore Property Limited and Diversified NZ Property Trust. They are managed by SIML, which is also part Stride.

³² Case number 2019005213 dated 3 June 2020. The consent holders are APSG and SIPL because the joint venture was yet to be established at the time of the consent.

³³ Section 15 of the Act.

Individuals with control	Role
Timothy Ian Mackenzie Storey	Director of Industrie, Director of SPL, Director of SIML, Director of SIPL, Member of the Approvals Committee of the Joint Venture
Philip Michael Littlewood	Director of SIPL, Member of the Management Committee of the Joint Venture
Ross James Patrick Buckley	Directors of SPL, Directors of SIML
Tracey Kim Jones	
Jacqueline Margaret Cheyne	
Michelle Patricia Tierney	
Nicholas Simon Jacobson	
s9(2)(a)	Directors of APSG
s9(2)(a)	
s9(2)(a)	
s9(2)(a)	
s9(2)(a)	Members of the Management Committee of the Joint Venture
s9(2)(a)	
s9(2)(a)	

Summary of investor test

38. The relevant overseas persons and individuals with control established none of the factors contained in section 18A(4) of the Act.
39. For this reason, our conclusion is that **the investor test has been met.**

D. Investment plan and benefit to NZ test

40. This section describes the Investment and our assessment of whether it is likely to meet the benefit to NZ test in the Act.

Current state (counterfactual)

- 41. The Land is generally used for occasional coarse grazing of animals with short-term leases from time to time for cattle dry run grazing. Approximately 2 hectares of the Land³⁴ is used as a laydown yard for temporary storage of equipment and vehicles associated with the Vendor’s transportation and logistics business.³⁵ The main premises of this business is located offsite.
- 42. The Land supports 0.25 full time employee (FTE). Some contractors are engaged for significant jobs when required.

Investment plan

- 43. The Applicant intends to develop the Facility on the Land. The Applicant expects the Facility to have up to 30 lots s9(2)(b)(2)(ii) each, to be leased or sold to high-value industrial, manufacturing and logistics operators.
- 44. The Applicant submits it is not possible to provide exact details of the finished Facility at this time since this will be subject to Council requirements as part of the consenting process. s9(2)(b)(2)(ii)

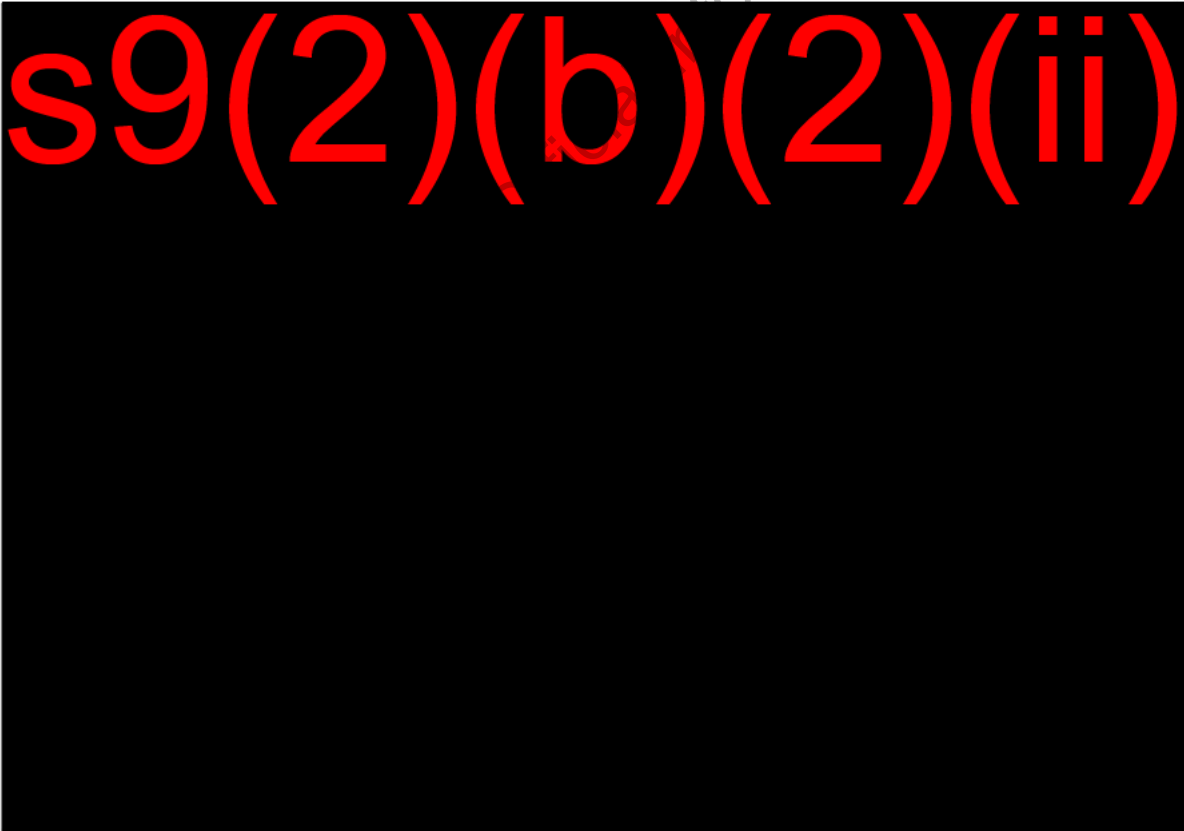


Figure 2 – Proposed Overall Site Plan as of 4 April 2023

- 45. Key information about the Applicant’s investment plan is summarised below:

³⁴ Approximately 3.5% of the Land.
³⁵ Through a related company, Les Harrison Transport.

- 45.1. **Capital expenditure:** The Applicant estimates that the total capital investment is likely to be s9(2)(b)(2)(ii) This includes construction costs and other infrastructure costs for accessways, roading, water management and utilities supply s9(2)(b)(2)(ii)
- 45.2. **Timeframe:** The Facility is expected to be completed and ready to be occupied over a period of s9(2)(b)(2)(ii) following these phases – planning and consenting s9(2)(b)(2)(ii) and development and construction of the necessary infrastructure s9(2)(b)(2)(ii) The Applicant expects that the Facility will be fully occupied within s9(2)(b)(2)(ii) from completion.³⁶
- 45.3. **Construction jobs:** The construction of the Facility will require the equivalent of:
- 25 FTEs³⁷ for six months or more during the planning and initial development of each lot, which is equivalent to 750 FTEs for 30 lots; and
 - 150 FTEs³⁸ for 8 to 16 months during the construction stage of each lot, which is equivalent to 4,500 FTEs for 30 lots.³⁹
- 45.4. **Ongoing jobs:** The Applicant estimates that when completed, the Facility is likely to accommodate 5,000 to 7,000 or more workers. The Applicant notes that this calculation is indicative only of the potential employment opportunities and the number of employment opportunities created would be dependent on the type and nature of the businesses operating.⁴⁰

Likelihood

46. The main uncertainty with the Facility is that it is subject to plan change and/or to consenting process under the Resource Management Act 1991 to enable the Land to be used for industrial purposes. Any decisions on a plan change or resource consents would be subject to a number of requirements, including those under the Local Government Act 2002 and the NPS HPL.
47. LINZ consulted with the Councils and has confirmed the Land is not currently identified as required to provide industrial/commercial land over the next 30 years, but has been identified for future further investigations. There are no formal council resolutions to identify this Land for future industrial use. There are no plans at this point for a plan change.
48. The Applicant has yet to file an application for a plan change or resource consents. The Applicant will not proceed with the Facility if it is unable to obtain plan change and/or resource consents.

³⁶ Depending on external factors at the time such as the state of the domestic and international economy at the time and market demand.

³⁷ Such as architects, specialist engineers, town planners, project managers, quantity surveyors and other professional advisors.

³⁸ Such as builders, electricians, plumbers, drainlayers, excavation workers, roofers, steel fabricators, fire protection system installers, civil contractors, landscapers, plasterers, painters and labourers.

³⁹ Once developed, the Facility could accommodate 5,000 to 7,000 long term positions.

⁴⁰ For example, logistics facilities with high levels of automation would employ less staff, whereas a manufacturing facility involving high levels of manual input could employ more.

49. Despite this uncertainty, we do not have any specific information that a plan change or resource consent is unlikely. We note that the agreements for sale and purchase with the Vendor are subject to the Applicant securing a plan change and/or resource consent. This means the Applicant cannot purchase the Land unless it secures the required plan change and/or resource consents.

Assessment of benefits

- 50. The benefits to New Zealand that are likely to result from this Investment and our assessment of the relative weight we consider could be given to each benefit (proportionate to the Investment) are set out in the table below.⁴¹
- 51. For the farm land benefit test to be met, the Applicant must demonstrate, in relation to either the economic or New Zealand participation factors,⁴² that the benefits of the Investment are of a size or nature that represent a substantial benefit to New Zealand.
- 52. LINZ has analysed the benefits that are likely to occur as a result of the Investment, compared to the current state of the Land, in the table below. This may include benefits that the Applicant did not specifically claim, but that LINZ has identified may occur.
- 53. Factors that we considered were either not relevant to the Investment, or the benefit to New Zealand was not sufficient to be relied on, are noted in **Attachment 2**.

Benefit		Analysis
Economic Strong	Creation of jobs	A significant number of construction work to develop the facility and ongoing jobs will be supported by the Facility.
	Capital expenditure	Capital expenditure of approximately [REDACTED] s9(2)(b)(2)(ii) [REDACTED] [REDACTED]
	Promote regional development and infrastructure	Accelerate development of the Land and encourage manufacturing, logistics and distribution operations to remain or relocate in the Waikato Region.
	Promote economic competitiveness of New Zealand	Provide option for overseas businesses to locate their business operations in New Zealand.

⁴¹ In applying the benefit to NZ test, you are required to consider each of the benefit factors, decide which of them are relevant and determine the relative importance of those relevant factors. The weight and relative importance to be given to each factor is a matter to be determined by you as the decision-maker (except where the farm land benefit test requires a factor to be given high relative importance). This report sets out our assessment to guide your consideration, however it is not determinative.

⁴² Section 16A(1C) of the Act.

Benefit		Analysis
<u>Advance</u> <u>Significant</u> <u>Government</u> <u>Policy</u> Weak	Support government's regional development policies	The construction of the Facility will provide the Waikato Region with infrastructure which is likely to align with and advance the Government's regional development policies. However, any advancement is likely to be minor.

Consultation and submissions about the investment

55. In undertaking our assessment, we consulted with the following councils:
- a. Waikato Regional Council,
 - b. Hamilton City Council, and
 - c. Waipā District Council.
56. We have dealt with any feedback we received in the body of our assessment report in the Investment Plan section.

Proposed conditions and rationale

57. We have recommended a consent condition is imposed requiring the Applicant to obtain the required plan change and/or resource consents that would enable the Land to be used for industrial purposes. We have also recommended that conditions are imposed requiring the development of the Facility and its ongoing operation.

Residential land outcome

58. The most appropriate residential land outcome to require is 'use for non-residential purposes'⁴³ for which conditions must be imposed that require that the residential land is not used, nor held for future use, for residential purposes (residential dwellings or long-term accommodation facilities) (See **Attachment 1** for the proposed condition).
59. The Applicant's intended use for the Land (developing the Land to yield industrial or commercial lots) will satisfy this condition as this is a strictly non-residential use. The Applicant intends to use the Land solely in the ordinary course of its business and has no intention to use any part of the Land for residential development in the future. The Applicant intends to lodge an application for plan change to enable the Land to be used for industrial purposes.

⁴³ Clause 19(2), row 2, Schedule 2 of the Act.

Conclusion – benefit to NZ test

Key benefits

60. After considering the application, we are satisfied that the Investment is likely to result in the benefits considered above. In particular, it is likely to result in economic benefits arising directly or indirectly from the Facility, including:
- Creation of a significant number of jobs during the construction stage, and for the ongoing operation of the Facility once developed;
 - Capital expenditure of s9(2)(b)(2)(ii) [REDACTED];
 - Promote regional development and infrastructure of the Waikato Region; and
 - Promote economic competitiveness of New Zealand.
61. It is also likely to advance the government's regional development policies.

Proportionality

62. LINZ has undertaken our assessment having regard to the sensitivity of the Land and the nature of the Investment, reflecting the proportional nature of the benefit to NZ test.
63. The Applicant is acquiring approximately 58 hectares of potentially highly productive farm land, however we note that the land is currently used for grazing so its current productivity is not high. LINZ also notes that the benefits are likely to be significant.

Conclusion

64. After considering the application, LINZ is satisfied that the Investment is likely to result in economic and government policy benefits in proportion to the sensitivity of the Land and the nature of the Investment.
65. In relation to the farm land benefit test, the benefits are likely to be substantial in relation to the economic benefit factor.

E. Farm land offer test

66. Because the Land is farm land,⁴⁴ we note that it was advertised for sale on the open market with the required information for a period exceeding 30 working days on Bayleys, TradeMe and Real Estate NZ;⁴⁵ and in Waikato Times⁴⁶, Bayley's Total Property⁴⁷ and New Zealand Herald.⁴⁸
67. We are therefore satisfied the regulations requiring the farm land to be offered for acquisition on the open market have been complied with.⁴⁹

⁴⁴ Currently being used partly for coarse grazing of animals and short-term grazing leases are granted from time to time for cattle dry run grazing. (see the definition of farm land in s 6 of the Act).

⁴⁵ From 12 February 2021 to 1 October 2022.

⁴⁶ On 10 March 2021, 24 November 2021 and 1 December 2021.

⁴⁷ On 16 April 2021.

⁴⁸ On 31 March 2021 and 13 November 2021.

⁴⁹ Overseas Investment Regulations 2005, regulations 5 to 10.

F. Not a transaction of national interest

68. The Investment does not involve a transaction of national interest under the mandatory criteria of the Act.⁵⁰ This is because the Investment does not involve a non-NZ government investor, or an investment in a strategically important business (as defined in the Act).
69. The Minister of Finance has not called the Investment in for a national interest assessment.⁵¹

G. Conclusion

70. For the reasons set out in this report, LINZ considers that the criteria for consent have been met and our recommendation is to **grant consent**.
71. We refer you to **Attachment 1** to review the Proposed Decision (including consent conditions), and to page 4 of this report to record your decision.

H. Attachments

1. Proposed Decision
2. Other benefit factors
3. Photos

⁵⁰ Under s20A of the Act.

⁵¹ Under s20B of the Act.

ATTACHMENT 1 - PROPOSED DECISION

Consent for Overseas Person to Acquire 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 consent:

Case	202300190
Consent	The Consent holders may acquire the Land subject to the Conditions set out below.
Consent holders	Industre Property Rua Limited (Company number 7719776) and Related company We will also refer to the Consent holder and the Consent holders together as you .
Related company	Any entity: (a) established by Stride Property Limited and Strategic Property Fund Asia SCSp; and (b) ultimately owned and controlled by Stride Property Limited Strategic Property Fund Asia SCSp in equal parts; and (c) with the same directors as the Consent holder.
Relevant business	The development, construction and operation of industrial properties.
Land	A freehold interest in approximately 57.9982 hectares of land located at 16 Wickham Street & 16A Wickham Street, Frankton, Hamilton contained in Records of Title 1100385 and 1100386 (South Auckland).
Timeframe	You have until [six years from the Decision Date] to acquire the Land.

Conditions

Your 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 you may be subject to fines or other penalties, and you may also be required to dispose of the Land.

In the Consent and the Conditions, we refer to Toitū Te Whenua Land Information New Zealand as **LINZ, regulator, us, or we**.

Act means the Overseas Investment Act 2005.

Capital Expenditure means all expenditure which can be solely attributable to the development and construction of the Facility and the Necessary Infrastructure. This includes direct expenditure on developing and constructing capital items, purchase or hire of equipment and materials, professional services and development contributions made by the Consent Holder to relevant authorities for roading and services associated with the Facility, but excludes the purchase price for Land and the salaries/remuneration and other benefits of the Consent holder or the Related company.

Facility means the multi-occupant complex for industrial, manufacturing and logistics use on the Land.

Higgins Site means the approximately 7.8866 hectares part of the Land comprised in Record of Title 1100385 as shown in **Appendix 1**.

Necessary Infrastructure means all services, access ways or roads, common areas, preparatory site works, lot divisions, and common areas that are located within the Land and necessary for the Facility to operate as multi-occupant complex for industrial, manufacturing and logistics use in accordance with all resource consents and other requirements of the relevant territorial authority.

Regulations means Overseas Investment Regulations 2005.

Any term or expression that is defined in the Act or Regulations and used, but not defined, in this consent has the same meaning as in the Act or Regulations.

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: Lodge application for plan change and/or resource consents	
In respect of the Higgins Site, you must: a. Lodge with the relevant authorities under the relevant legislation application for private plan change of the Higgins Site's zoning to enable it to be developed and used for industrial use; and/or b. lodge with the relevant authorities under the relevant legislation the application for resource consent to enable the Higgins Site to be developed and used for industrial use.	a. s9(2)(b)(2)(ii) b. s9(2)(b)(2)(ii)

Details	Required date
<p>In respect of the Land excluding the Higgins Site, you must:</p> <ul style="list-style-type: none"> c. Lodge with the relevant authorities under the relevant legislation application for private plan change of its zoning to enable it to be developed and used for industrial use; and/or d. Lodge with relevant authorities under the relevant legislation the application for resource consent to enable it to be developed and used for industrial use. <p>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>	<p>c. s9(2)(b)(2)(ii)</p> <p>s9(2)(b)(2)(ii)</p>
Special condition 2: Obtain required plan change and/or resource consents	
<p>Obtain the required private plan change and/or resource consent from the relevant authorities enabling the Land to be developed and used for industrial purposes.</p> <p>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>	<p>s9(2)(b)(2)(ii)</p>
Special condition 3: Commence and complete, and operate the Facility	
<p>You must:</p> <ul style="list-style-type: none"> a. Commence the development and construction of all Necessary Infrastructure, b. Complete the development and construction of all Necessary Infrastructure, c. Begin operation of the Facility with all Necessary Infrastructure, and d. Operate the completed Facility as landowner and manager at all times, other than those parts of the Facility that are not owned by the Consent Holder. <p>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>	<p>s9(2)(b)(2)(ii)</p>
Special condition 4: Capital Expenditure	
<p>You must spend:</p> <ul style="list-style-type: none"> a. at least s9(2)(b)(2)(ii) in Capital Expenditure on development and construction of the Facility; and b. at least a further s9(2)(b)(2)(ii) in Capital Expenditure on the development and construction of the Facility. <p>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>	<p>s9(2)(b)(2)(ii)</p>

Details	Required date
Special condition 5: Use the Higgins Site for non-residential purposes	
<p>The Higgins Site must only be used for non-residential purposes in the ordinary course of the business for the Relevant business. You must not use or hold the Higgins Site for any residential purposes.</p> <p>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>	At all times.

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	
<p>You must acquire the Land:</p> <ol style="list-style-type: none"> by the date stated in the Consent. If you do not, your Consent will lapse or become invalid and you must not acquire the Land, and using the acquisition, ownership, and control structure you described in your application. Note, only you - the named Consent Holder - may acquire the Land, not your subsidiary, trust, or other entity. 	As stated in the Consent
Standard condition 2: Tell us when you acquire the Land	
<p>You must tell us in writing when you have acquired the Land. Include details of:</p> <ol style="list-style-type: none"> the date you acquired the Land (Settlement), consideration paid (plus GST if any), the structure by which the acquisition was made and who acquired the Land, and copies of any transfer documents and Settlement statements. 	As soon as you can, and no later than two months after Settlement
Standard condition 3: Allow us to inspect the Land	

Details	Required date
<p>Sometimes it will be helpful for us to visit the Land so we can monitor your compliance with the Conditions. We will give you at least two weeks' written notice if we want to do this. 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. 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. <p>During an Inspection:</p> <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. 	<p>At all times</p>
<p>Standard condition 4: Remain not unsuitable to Invest in New Zealand</p>	

Details	Required date
<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> <ol 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>
<p>Standard condition 5: Tell us about changes that affect you, the people who control you, or people you control</p>	
<p>You must tell us in writing if any of the following events happens to any of the Consent holders:</p> <ol style="list-style-type: none"> 1. 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. 2. You cease to be an overseas person or dispose of all or any part of the Asset. 3. 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>
<p>Standard condition 6: Dispose of the Land if you do not comply with key special conditions</p>	
<p>If all or part of this Standard Condition 6 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>	<p>Within six weeks of the date of our notice</p>

Details	Required date
Market the Land: instruct a licensed real estate agent to actively market the Land for sale on the open market.	Within six weeks of the date of our notice
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
<p>Report disposal to us: send us, in writing, evidence of the following:</p> <ul style="list-style-type: none"> 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 about how your investment plan is tracking so we can monitor your progress against the Conditions.

In addition to Settlement reporting (as set out in Standard Condition 2), you must provide LINZ with reports detailing the progress of the investment. The reports must:

1. be submitted via our [Webform](#) by these dates:
 - a. 29/02/2025
 - b. 28/02/2027
 - c. 28/02/2029
 - d. 28/02/2031
 - e. 28/02/2034
2. contain information about your progress in implementing the special conditions (which can include photographs, maps or aerial imagery as evidence of compliance with relevant conditions), and
3. follow the format of the template annual report published on our website.

If requested in writing by LINZ, 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.

Power to vary reporting date

The dates on which reports are due to be provided may be changed by agreement between LINZ 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

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

Power not to require further reporting

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

Appendix 1 – Aerial Photo of the Land



ATTACHMENT 2 – OTHER BENEFIT FACTORS

The table **below** lists other factors in the Act for assessing the benefit of overseas investments.

We considered that the factors below were either not relevant to the Investment, or the benefit to New Zealand was not likely or sufficient to be relied on for the purposes of our assessment.

Factor	Reason not relevant or insufficient
Environmental benefits	Not relevant
Public access	Not relevant
Historic heritage	Not relevant
Oversight or participation by New Zealanders	Not relevant Ownership is reducing from 94% to 47% New Zealand ownership
Consequential benefits	Insufficient To avoid duplication, the Applicant's claimed consequential benefits were considered under the Economic Factor.
Extraction of water for bottling/human consumption	Not relevant

Released under the Official Information Act 1982

ATTACHMENT 3 – PHOTOS

