

To: Phil Attenborough, Lead Intelligence Analyst
From: Hannah Worsley, Solicitor

VARIATION ASSESSMENT REPORT: **Since20181** **Development Limited**

Date	22 December 2022	Classification	IN CONFIDENCE: Commercially sensitive
LINZ References	201900225 and 201900473	Deadline	As soon as possible (requested date 31 December 2022)

A. Proposal to vary Special Condition 2, Milestones 3, 4 and 5

Consent

1. Since20181 Development Limited (**Since20181**) was granted the following consents under the Overseas Investment Act to acquire residential land and undertake a residential property development:
 - a. 201900225 – Acquisition of a freehold interest in approximately 0.0759 hectares of sensitive land located at 20 Browns Bay Road, Rothesay Bay, Auckland (dated 6 December 2019); and
 - b. 201900473 – Acquisition of a freehold interest in approximately 0.2024 hectares of sensitive land located at 22 and 24 Beechwood Road, Rothesay Bay, Auckland (dated 19 December 2019),
(together, the **Consents**).
2. 20 Browns Bay Road was acquired on 20 December 2019 for a purchase price of \$1,680,000, and 22 and 24 Beechwood Road were acquired on 23 January 2020 for a purchase price of \$4,200,000.

August 2020 variation application

3. On 26 August 2020, Since20181 submitted a variation application following the identification of stability and engineering issues with land. The variation related to an alternate terraced housing development (instead of an apartment development) and relevant development milestones. The following variations were granted on 12 April 2021:

Consent	Special Condition	Variation
201900225	1	Reduction in the number of dwellings from 75 apartment dwellings to approximately 20 dwellings
	2	Time extensions given the change in the nature of the project

	4	Special condition 4 removed – Commercial units no longer planned
Consent	Special Condition	Variation
201900473	1	Reduction in the number of dwellings from 80 to approximately 10 dwellings
	2	Time extensions given the change in the nature of the project

Current variation application

4. As set out in the table below, Since20181 now applies for further variations to extend timeframes relating to development milestones in the Consents:

Consents	Special Condition	Condition Wording	Current Deadline Date	Requested Deadline Date
201900225 201900473	2	Milestone 3 – Obtain all required resource consents and building consents for starting the Development	By 31 December 2022	By 31 August 2023
		Milestone 4 – Commencement of construction of the Development	By 31 December 2022	By 30 June 2023 ¹
		Milestone 5 - Confirm to us that you are on schedule to meet Milestone 6 (relating to the completion of construction)	By 31 January 2023	By 31 August 2023

5. Since20181 has advised that it is likely to breach Milestones 3, 4 and 5 of Special Condition 2 if the requested variations are not granted.

Reasons for requested variation to deadline date for Milestone 3 of Special Condition 2

6. In the current variation application, Since20181 has stated that:

¹ The necessary resource and building consents will be obtained in stages. The resource consent application was submitted on 16 December 2022. The Applicant anticipates that resource consent will be obtained by the end of April 2023, the building consent for the retaining wall obtained by the end of June 2023 and the building consent for the building obtained by the end of August 2023. Construction of the retaining walls is expected to begin by 30 June 2023. This means that Milestone 4 of Special Condition 2 will now be met before Milestone 3 Special Condition 2.

- a. it became aware that it needed a further extension around 15 October 2022 after asking its architect, Archi-on,² for an update on the Auckland Council consent process;
 - b. Auckland Council has requested that Since20181 attend 2 urban design panel meetings, and 2 further interim 'face to face' meetings with an Auckland Council planner and urban designer; and
 - c. throughout the consent process with Auckland Council, there have been numerous postponements due to Covid-19 related illnesses.
7. Auckland Council has also asked Since20181 to resubmit its resource consent application due to changes to the layout and orientation of the buildings that were made following recommendations from an urban designer at Auckland Council.³
 8. Accordingly, Since20181 would like to extend the deadline date for Milestone 3 of Special Condition 2 for both Consents. The requested deadline date is 31 August 2023.

Reasons for requested variation to deadline date for Milestones 4 & 5 of Special Condition 2

9. The delays experienced with the Auckland Council consent process mean that there will also be consequential delays relating to:
 - a. the commencement of construction (Milestone 4); and
 - b. being on schedule to meet Milestone 6 of Special Condition 2 relating to the completion of construction (Milestone 5).
10. Accordingly, Since20181 would like to extend the deadline date for Milestones 4 and 5 of Special Condition 2 for both Consents to 30 June 2023 and 31 August 2023 respectively.

Concerns regarding progress to date and ensuring the development is well-managed into the future

11. As set out above, this is the second time Since20181 has asked for additional time to achieve its milestones in respect of the development. This raises concerns about progress with the development to date and how it will be managed on an ongoing basis.⁴
12. The following information was requested from Since20181 in response to these concerns:
 - a. Confirmation of the person currently project managing the development (including that they are a professional project manager with the relevant skills and experience to manage the development, as required by Special Condition 4 of 201900473).
 - b. An explanation of:
 - i. how the development is currently being project managed given the issues experienced to date; and
 - ii. the steps being taken to ensure that the development will be well managed into the future, and how timely compliance with any varied timeframes for development milestones will be achieved.
 - c. The status of the existing dwelling at 18 Browns Bay Road (after the media reported that Since20181 was ordered to pay more than \$6,000 for breaching its landlord obligations).

² Since20181 has contracted Archi-on to liaise with Auckland Council, planners, surveyors, engineers and other consultants. Envision Planning Consulting Ltd is also assisting with the resource consent application.

³ Since20181 resubmitted its resource consent application on 15 December 2022.

⁴ Andre Baldock has been involved with this variation application from an enforcement perspective.

13. Since20181 provided the following information in response to the request:
- a. James Chen is currently project managing the development and he is a professional project manager with the relevant skills and experience.
 - b. A number of steps have been taken to progress the development and comply with the milestones set out in the relevant conditions since the first variation was obtained on 12 April 2021, including: architectural drawings, geotechnical engineering investigations / reports, civil engineering design, flood risk assessment, consent related reports (traffic, cultural impact, contamination, noise and vibration), and topographical survey work.
 - c. The project manager will continue to monitor progress by Archi-on and Auckland Council to get the consents as early as possible. If any matters are raised by the Council, the project manager will coordinate the consultants to address any problems as soon as possible.
 - d. The project manager anticipates having all of the contractors / subcontractors ready so that physical works can commence at the site immediately after the relevant building and resource consents are approved. The timeline provided by the Applicant is below:

Development stage	Estimated completion date
Demolition of existing dwelling and site cleaning	February 2023
Building consent application for dwellings submitted	February 2023
Earthworks consent approved	March 2023
Design of power line, gas line and data/telecommunication completed	April 2023
Resource consent approved	April 2023
EPA and building consent for retaining walls approved	April-June 2023
Building consent for dwellings approved	August 2023
Retaining wall, drainage, service lines, driveway work completed	September 2023
Construction of dwellings commence	October 2023
224C application approved	December 2023
CCC for dwellings issued	December 2024

14. Enquiries were also undertaken with the planner at Auckland Council in respect of the development. The planner⁵ confirmed that Since20181 has been working very hard to get its resource consent application in order. While Auckland Council was unable to provide a decision timeframe, the planner did state that it should be a fairly straightforward process given Since20181's progress thus far.

B. How to approach the decision

15. Section 27 of the Overseas Investment Act 2005 (**Act**) provides that conditions of consent may be:
- a. varied with the agreement of the consent holder; or
 - b. revoked.

⁵ Via email and then a phone call on 9 December 2022.

16. Conditions which the Act required to be imposed (for example in relation to residential outcomes) may be varied but may not be revoked.
17. The Act does not spell out what the decision-maker must take into account in considering whether to vary a consent. Applying general principles of administrative law, the discretionary power should be exercised reasonably, and consistently with the purpose of the Act:

3 Purpose

- (1) The purpose of this Act is to acknowledge that it is a privilege for overseas persons to own or control sensitive New Zealand assets by—
 - (a) requiring overseas investments in those assets, before being made, to meet criteria for consent; and
 - (b) imposing conditions on those overseas investments.
- (2) This Act also has the purpose of managing certain risks, such as national security and public order risks, associated with transactions by overseas persons.

C. Our assessment

18. We accept Since20181's reasons for its current variation application and consider them to be reasonable in the circumstances:
 - a. COVID-19 has had a significant effect on a number of businesses and organisations in New Zealand.
 - b. The requested variations appear to be reasonable and are consistent with the purpose of the Act.
 - c. Since20181 has taken reasonable steps to progress the relevant consent applications but requires additional time to obtain the consents, commence construction and confirm it is on schedule to meet Milestone 6 of Special Condition 2.
 - d. Since20181 has also taken reasonable steps to progress the project as a whole since the first variation was obtained on 12 April 2021.
 - e. The requested variations:
 - i. do not fundamentally change Milestones 3, 4 and 5 of Special Condition 2, they just extend the timeframes available to meet those milestones; and
 - ii. will not impact the benefit threshold for the investment, as the same level of benefit is still expected and the overall timeframe for the completion of the development will remain unchanged.
 - f. Since20181 will still be required to satisfy all of the remaining conditions in the Consents, including the provision of annual reports until 2026 to update us on progress of the development.
19. As noted above, this is the second time Since20181 has asked for additional time to achieve its milestones in respect of the development. Accordingly, if you agree to vary the conditions of the Consents as requested, we intend to advise Since20181 that there is no guarantee that LINZ will be agreeable to a third variation. This means that Since20181 will need to ensure that it meets the revised timeframes.

D. Recommendation

20. We recommend that the conditions of the Consents be varied as set out in Attachment 1 and Attachment 2.
21. No other changes are needed.

E. Decision

22. I agree to vary the conditions of the Consents as set out in **Attachment 1** and **Attachment 2**.

Agree / Disagree



Phil Attenborough
Lead Intelligence Analyst
Date: 22 / 12 / 2022

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ATTACHMENT 1 - PROPOSED VARIATION FOR 201900225

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: 6 December 2019

First variation date: 12 April 2021

Second variation date: 22 December 2022

The following people have been given the following **consent**:

Case	201900225
Consent type	One-off Consent (increased housing) for an overseas investment in sensitive land.
Consent holder/s	Since20181 Development Limited (company number 6963113) (You or the Consent Holder)
Consent	The Consent Holder may acquire the Land subject to the Conditions set out below.
Land	The following residential (but not otherwise sensitive) land: Approximately 0.0759 hectares of freehold land at 20 Browns Bay Road, Rothesay Bay, Auckland, being the land currently contained in record of title NA1925/3.
Relevant business	Property investment and development.
Use-by Date	30 November 2020

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 the Overseas Investment Office as **OIO, us or we**.

Special conditions

You must comply with the following special conditions. These apply specifically to this Consent and include conditions that we must impose under the Act.

Definitions

Act means Overseas Investment Act 2005.

Development means the terraced housing development you will construct on the Land and Neighbouring Land that will contain at least 20 new residential dwellings.

Neighbouring Land means the land owned by the Consent Holder at 18 and 16 Browns Bay Road, Rothesay Bay, Auckland comprised in titles NA322/102 and 574969 which, together with the Land, will form the Development.

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.

Details	Required date				
Special Condition 1: Increased Housing Outcome					
You must use the Land to increase the number of residential dwellings constructed on the Land and Neighbouring Land by at least 20 residential dwellings. If you do not comply with this Special Condition, 0 will apply and we may require you to dispose of the Land.	At all times				
Special Condition 2: Milestones					
You must complete the following milestones with regard to the development of the Land:					
<table border="1"><thead><tr><th>Milestone condition</th><th>Date for completion</th></tr></thead><tbody><tr><td><i>Milestone 1</i> Submission of all required resource consents and building consents for starting the Development</td><td>By 31 December 2021</td></tr></tbody></table>	Milestone condition	Date for completion	<i>Milestone 1</i> Submission of all required resource consents and building consents for starting the Development	By 31 December 2021	
Milestone condition	Date for completion				
<i>Milestone 1</i> Submission of all required resource consents and building consents for starting the Development	By 31 December 2021				

Details		Required date
<p><i>Milestone 2</i></p> <p>Confirm to us whether the resource consent process requires a limited notification or is subject to a hearing process.</p>	As soon as you become aware	
<p><i>Milestone 3</i></p> <p>Obtain all required resource consents and building consents for starting the Development.</p>	By 31 August 2023	
<p>If you do not obtain all relevant resource consents and building consents required to construct the Development, then 0 will apply and we may require you to dispose of the Land.</p>		
<p><i>Milestone 4</i></p> <p>Commencement of construction of the Development.</p>	By 30 June 2023	
<p><i>Milestone 5</i></p> <p>Confirm to us that you are on schedule to meet Milestone 6.</p>	By 31 August 2023	
<p><i>Milestone 6</i></p> <p>Completion of construction of the Development.</p>	By 31 December 2024	
<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>Special Condition 3: Non-occupation outcome</p>		
<p>None of the following people may occupy the Land for residential purposes:</p> <p>(a) You</p> <p>(b) Any overseas person with a 25% or more ownership or control interest in any of the people in (a).</p> <p>(c) Any overseas person who occupies the Land other than on arm's length terms.⁶</p> <p>(d) Any overseas person who has a beneficial interest in, or beneficial entitlement to, the relevant interest in the Land.</p> <p>(e) If (a) is a trust, any beneficiary (direct or indirect) who may benefit under the trust at the trustees' discretion.</p> <p>If you do not comply with this Special Condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>		At all times

⁶ 'At arms length terms' has the meaning in clause 17, Part 5, Schedule 2 of the Overseas Act 2005. In summary it means terms, for example under a lease (or other contract), that are on a reasonable commercial basis.

Details	Required date
<p>For the avoidance of doubt, you may continue to have tenants occupy the dwelling that is currently located on the Land.</p> <p>Nothing in this condition should be read to conflict with the Consent Holder's requirements under the Residential Tenancies Act 1986.</p>	<p>Until 31 December 2022</p>
<p>Special Condition 5: On sale outcome</p>	
<p>You must dispose of all interests in all the residential dwellings on the Land.</p> <p>If you do not comply with this Special Condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>	<p>As soon as practicable and no later than 31 December 2025</p>

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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"> 1. 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 2. 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"> 1. the date you acquired the Land (Settlement), 2. consideration paid (plus GST if any), 3. the structure by which the acquisition was made and who acquired the Land, and 4. 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	
<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), 	At all times

Details	Required date
<p>(b) remain there as long as is reasonably required to conduct the inspection,</p> <p>(c) gather information,</p> <p>(d) conduct surveys, inquiries, tests and measurements,</p> <p>(e) take photographs and video records, and</p> <p>(f) do all other things reasonably necessary to carry out the Inspection.</p> <p>2. Take all reasonable steps to facilitate an Inspection including:</p> <p>(a) directing your employees, agents, tenants or other occupiers to permit an Inspector to conduct an Inspection,</p> <p>(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> <p>During an Inspection:</p> <p>(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,</p> <p>(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>	
Standard Condition 4: remain of good character	
<p>You and the Individuals Who Control You:</p> <ol style="list-style-type: none"> 1. must continue to be of good character, and 2. must not become an individual of the kind referred to in section 15 or section 16 of the Immigration Act 2009. <p>In summary, these sections describe convicted or deported people who are not eligible for visa or entry permission to enter or be in New Zealand and people who are considered likely to commit an offence or to be a threat or risk to security, public order or the public interest.</p> <p>The Individuals Who Control You are individuals who:</p> <p>(a) are members of your governing body,</p>	<p>At all times</p>

Details	Required date
<ul style="list-style-type: none"> (b) directly or indirectly, own or control 25% or more of you or of a person who itself owns or controls 25% or more of you, and (c) are members of the governing body of the people referred to in paragraph (b) above. 	
<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, any Individual Who Controls You, or any person in which you or any individual who controls you hold (or at the time of the offence held) a 25% or more ownership or control interest commits an offence or contravenes the law anywhere in the world. This applies whether or not you or they were convicted of the offence. In particular, please tell us about any offences or contraventions that you are charged with or sued over and any investigation by enforcement or regulatory agencies or professional standard bodies. 2. An Individual Who Controls You ceases to be of good character; commits an offence or contravenes the law (whether they were convicted or not); becomes aware of any other matter that reflects adversely on their fitness to have the Land; or becomes an individual of the kind referred to in section 15 or 16 of the Immigration Act 2009 (see Standard Condition 4). 3. You cease to be an overseas person or dispose of all or any part of the Land. 4. You, any Individual Who Controls You, or any person in which you or any Individual Who Controls You hold (or at the time of the event held) a 25% or more ownership or control interest: <ul style="list-style-type: none"> (a) becomes bankrupt or insolvent (b) has an administrator, receiver, liquidator, statutory manager, mortgagee's or chargee's agent appointed, or (c) becomes subject to any form of external administration. 	<p>Within 20 working days after the change</p>

Details	Required date
Standard Condition 6: dispose of the Land if you do not comply with key special conditions	
<p>Some of the special conditions were key to the decision to give consent. If we consider you have failed to comply with one of those special conditions in a material way we may require you to dispose of the Land.</p> <p>We may also require you to execute a security deed before you may acquire the Land. The security deed:</p> <ol style="list-style-type: none"> 1. must be in the form we require, 2. must be executed and delivered to us before you acquire the Land, 3. gives us power to appoint a receiver to dispose of the Land if you do not do that as required by this Standard Condition 6, 4. will provide, among other things, that if we appoint a receiver, the receiver may dispose of the Land, deduct his or her costs from the proceeds of sale, and pay the remainder to you. <p>If all or part of this Standard Condition 6 applies to a special condition, we have said so in that condition.</p> <p>We will give you written notice if we require you to dispose of the Land. After we have given you notice, you must:</p>	
<p>Value the Land: obtain and send us a copy of a market valuation of the Land from a New Zealand registered valuer.</p>	<p>Within six weeks of the date of our notice.</p>
<p>Market the Land: instruct a licensed real estate agent to actively market the Land for sale on the open market.</p>	<p>Within six weeks of the date of our notice.</p>
<p>Dispose of the Land: dispose of the Land to a third party who is not your associate.</p>	<p>Within six months of our notice.</p>
<p>Offer without reserve: if you have not disposed of the Land within six months of our notice, offer the Land for sale by auction or tender without a reserve price or minimum bid and dispose of the Land.</p>	<p>Within nine months of our notice.</p>
<p>Report to us about marketing: tell us in writing about marketing activities undertaken and offers received for the Land.</p>	<p>By the last day of every March, June, September and December after our notice or at any other time we require.</p>

Details	Required date
<p>Report disposal to us: send us, in writing, evidence:</p> <ul style="list-style-type: none"> (a) that you have disposed of the Land, (b) of disposal (including copies of sale and purchase agreements, settlement statements and titles showing the purchaser as registered proprietor), (c) the purchaser is not your associate. 	<p>Within one month after the Land has been disposed of.</p>

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Reporting conditions

We may need information from you about how your investment plan is tracking so we can monitor your progress against the Conditions.

In addition to Standard Condition 2, every year, you must lodge an annual report. It must:

1. be sent to **oiomonitoring@linz.govt.nz** by 31 January every year starting 2020 until 2026 or such other date as advised by the Overseas Investment Office in writing.
2. contain information about:
 - (a) your progress in implementing and complying with the special conditions;
 - (b) your progress in obtaining the necessary resource, subdivision and any other consents required to allow the Land to be developed for residential purposes;
 - (c) the Consent Holder's progress starting, carrying out, and completing construction (including photographic evidence); and
 - (d) the Consent Holder's progress with selling the completed residential dwellings, including evidence of the sales.
3. follow the format of the template annual report published on our website.

If requested in writing by the OIO, the Consent Holder(s) 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.

Released under the Official Information Act 1982

ATTACHMENT 2 - PROPOSED VARIATION FOR 201900473

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: 19 December 2019

First variation date: 12 April 2021

Second variation date: 22 December 2022

The following people have been given the following **consent**:

Case	201900473
Consent type	One-off Consent (increased housing) for an overseas investment in sensitive land.
Consent holder/s	Since20181 Development Limited (company number 6963113) (You or the Consent Holder)
Consent	The Consent Holder may acquire the Land subject to the Conditions set out below.
Land	The following residential (but not otherwise sensitive) land: Approximately a total of 0.2024 hectares of freehold land at 22 and 24 Beechwood Road, Rothesay Bay, Auckland, being the land currently contained in records of title NA55B/1175 and NA343/210.
Relevant business	Property investment and development.
Use-by Date	30 December 2020

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 the Overseas Investment Office as **OIO, us or we**.

Special conditions

You must comply with the following special conditions. These apply specifically to this Consent and include conditions that we must impose under the Act.

Definitions

Act means Overseas Investment Act 2005.

Development means the terraced housing development you will construct on the Land and 16 Browns Bay Road that will contain at least 10 new residential dwellings.

Regulations means Overseas Investment Regulations 2005.

16 Browns Bay Road means the land owned by the Consent Holder at 16 Browns Bay Road, Rothesay Bay, Auckland currently comprised in title 574969, described as Lot 2 Deposited Plan 451219. The Consent Holder anticipates that the Development will predominantly be located on the Land with some encroachment onto 16 Browns Bay Road.

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.

Details	Required date
Special Condition 1: Increased Housing Outcome	
<p>You must use the Land to increase the number of residential dwellings constructed on the Land and 16 Browns Bay by at least 10 residential dwellings.</p> <p>For clarity, you must increase the number of residential dwellings constructed on each of the records of title that currently comprise the Land.</p> <p>If you do not comply with this Special Condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>	At all times

Details	Required date																
Special Condition 2: Milestones																	
<p>You must complete the following milestones with regard to the development of the Land:</p> <table border="1" data-bbox="204 432 1015 1505"> <thead> <tr> <th data-bbox="204 432 612 490">Milestone condition</th> <th data-bbox="612 432 1015 490">Date for completion</th> </tr> </thead> <tbody> <tr> <td data-bbox="204 490 612 638"> <i>Milestone 1</i> Submission of all required resource consents and building consents for starting the Development </td> <td data-bbox="612 490 1015 638">By 31 December 2021</td> </tr> <tr> <td data-bbox="204 638 612 808"> <i>Milestone 2</i> Confirm to us whether the resource consent process requires a limited notification or is subject to a hearing process. </td> <td data-bbox="612 638 1015 808">As soon as you become aware</td> </tr> <tr> <td data-bbox="204 808 612 956"> <i>Milestone 3</i> Obtain all required resource consents and building consents for starting the Development. </td> <td data-bbox="612 808 1015 956">By 31 August 2023</td> </tr> <tr> <td data-bbox="204 956 612 1135"> If you do not obtain all relevant resource consents and building consents required to construct the Development, then 0 will apply and we may require you to dispose of the Land. </td> <td data-bbox="612 956 1015 1135"></td> </tr> <tr> <td data-bbox="204 1135 612 1261"> <i>Milestone 4</i> Commencement of construction of the Development. </td> <td data-bbox="612 1135 1015 1261">By 30 June 2023</td> </tr> <tr> <td data-bbox="204 1261 612 1386"> <i>Milestone 5</i> Confirm to us that you are on schedule to meet Milestone 6. </td> <td data-bbox="612 1261 1015 1386">By 31 August 2023</td> </tr> <tr> <td data-bbox="204 1386 612 1505"> <i>Milestone 6</i> Completion of construction of the Development. </td> <td data-bbox="612 1386 1015 1505">By 31 December 2024</td> </tr> </tbody> </table> <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>		Milestone condition	Date for completion	<i>Milestone 1</i> Submission of all required resource consents and building consents for starting the Development	By 31 December 2021	<i>Milestone 2</i> Confirm to us whether the resource consent process requires a limited notification or is subject to a hearing process.	As soon as you become aware	<i>Milestone 3</i> Obtain all required resource consents and building consents for starting the Development.	By 31 August 2023	If you do not obtain all relevant resource consents and building consents required to construct the Development, then 0 will apply and we may require you to dispose of the Land.		<i>Milestone 4</i> Commencement of construction of the Development.	By 30 June 2023	<i>Milestone 5</i> Confirm to us that you are on schedule to meet Milestone 6.	By 31 August 2023	<i>Milestone 6</i> Completion of construction of the Development.	By 31 December 2024
Milestone condition	Date for completion																
<i>Milestone 1</i> Submission of all required resource consents and building consents for starting the Development	By 31 December 2021																
<i>Milestone 2</i> Confirm to us whether the resource consent process requires a limited notification or is subject to a hearing process.	As soon as you become aware																
<i>Milestone 3</i> Obtain all required resource consents and building consents for starting the Development.	By 31 August 2023																
If you do not obtain all relevant resource consents and building consents required to construct the Development, then 0 will apply and we may require you to dispose of the Land.																	
<i>Milestone 4</i> Commencement of construction of the Development.	By 30 June 2023																
<i>Milestone 5</i> Confirm to us that you are on schedule to meet Milestone 6.	By 31 August 2023																
<i>Milestone 6</i> Completion of construction of the Development.	By 31 December 2024																
Special Condition 3: Non-occupation outcome																	
<p>None of the following people may occupy the Land for residential purposes:</p> <p>(a) You</p> <p>(b) Any overseas person with a 25% or more ownership or control interest in any of the people in (a).</p>	At all times																

Details	Required date
<p>(c) Any overseas person who occupies the Land other than on arm's length terms.⁷</p> <p>(d) Any overseas person who has a beneficial interest in, or beneficial entitlement to, the relevant interest in the Land.</p> <p>(e) If (a) is a trust, any beneficiary (direct or indirect) who may benefit under the trust at the trustees' discretion.</p> <p>If you do not comply with this Special Condition, 0 will apply and we may require you to dispose of the Land.</p>	
Special Condition 4: Appoint a professional project manager	
<p>You must appoint a professional project manager with the relevant skills and experience to manage the Development.</p> <p>If you do not comply with this Special Condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>	<p>By 31 December 2020</p>
Special Condition 5: On sale outcome	
<p>You must dispose of all your interests in the Land.</p> <p>If you do not comply with this Special Condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>	<p>As soon as practicable and no later than 31 December 2025</p>

⁷ 'At arms length terms' has the meaning in clause 17, Part 5, Schedule 2 of the Overseas Act 2005. In summary it means terms, for example under a lease (or other contract), that are on a reasonable commercial basis.

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"> 1. 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 2. 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"> 1. the date you acquired the Land (Settlement), 2. consideration paid (plus GST if any), 3. the structure by which the acquisition was made and who acquired the Land, and 4. 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	
<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), 	At all times

Details	Required date
<p>(b) remain there as long as is reasonably required to conduct the inspection,</p> <p>(c) gather information,</p> <p>(d) conduct surveys, inquiries, tests and measurements,</p> <p>(e) take photographs and video records, and</p> <p>(f) do all other things reasonably necessary to carry out the Inspection.</p> <p>2. Take all reasonable steps to facilitate an Inspection including:</p> <p>(a) directing your employees, agents, tenants or other occupiers to permit an Inspector to conduct an Inspection,</p> <p>(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> <p>During an Inspection:</p> <p>(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,</p> <p>(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>	
Standard Condition 4: remain of good character	
<p>You and the Individuals Who Control You:</p> <ol style="list-style-type: none"> 1. must continue to be of good character, and 2. must not become an individual of the kind referred to in section 15 or section 16 of the Immigration Act 2009. <p>In summary, these sections describe convicted or deported people who are not eligible for visa or entry permission to enter or be in New Zealand and people who are considered likely to commit an offence or to be a threat or risk to security, public order or the public interest.</p> <p>The Individuals Who Control You are individuals who:</p> <p>(a) are members of your governing body,</p>	<p>At all times</p>

Details	Required date
<ul style="list-style-type: none"> (b) directly or indirectly, own or control 25% or more of you or of a person who itself owns or controls 25% or more of you, and (c) are members of the governing body of the people referred to in paragraph (b) above. 	
<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, any Individual Who Controls You, or any person in which you or any individual who controls you hold (or at the time of the offence held) a 25% or more ownership or control interest commits an offence or contravenes the law anywhere in the world. This applies whether or not you or they were convicted of the offence. In particular, please tell us about any offences or contraventions that you are charged with or sued over and any investigation by enforcement or regulatory agencies or professional standard bodies. 2. An Individual Who Controls You ceases to be of good character; commits an offence or contravenes the law (whether they were convicted or not); becomes aware of any other matter that reflects adversely on their fitness to have the Land; or becomes an individual of the kind referred to in section 15 or 16 of the Immigration Act 2009 (see Standard Condition 4). 3. You cease to be an overseas person or dispose of all or any part of the Land. 4. You, any Individual Who Controls You, or any person in which you or any Individual Who Controls You hold (or at the time of the event held) a 25% or more ownership or control interest: <ul style="list-style-type: none"> (a) becomes bankrupt or insolvent (b) has an administrator, receiver, liquidator, statutory manager, mortgagee's or chargee's agent appointed, or (c) becomes subject to any form of external administration. 	<p>Within 20 working days after the change</p>

Details	Required date
Standard Condition 6: dispose of the Land if you do not comply with key special conditions	
<p>Some of the special conditions were key to the decision to give consent. If we consider you have failed to comply with one of those special conditions in a material way we may require you to dispose of the Land. For the avoidance of doubt, if the Land cannot be disposed of without the 16 Browns Bay Road land, then we may require you to dispose of the 16 Browns Bay Road land also.</p> <p>If all or part of this Standard Condition 6 applies to a special condition, we have said so in that condition.</p> <p>We will give you written notice if we require you to dispose of the Land. After we have given you notice, you must:</p>	
<p>Value the Land: obtain and send us a copy of a market valuation of the Land from a New Zealand registered valuer.</p>	<p>Within six weeks of the date of our notice.</p>
<p>Market the Land: instruct a licensed real estate agent to actively market the Land for sale on the open market.</p>	<p>Within six weeks of the date of our notice.</p>
<p>Dispose of the Land: dispose of the Land to a third party who is not your associate.</p>	<p>Within six months of our notice.</p>
<p>Offer without reserve: if you have not disposed of the Land within six months of our notice, offer the Land for sale by auction or tender without a reserve price or minimum bid and dispose of the Land.</p>	<p>Within nine months of our notice.</p>
<p>Report to us about marketing: tell us in writing about marketing activities undertaken and offers received for the Land.</p>	<p>By the last day of every March, June, September and December after our notice or at any other time we require.</p>
<p>Report disposal to us: send us, in writing, evidence:</p> <ul style="list-style-type: none"> (a) that you have disposed of the Land, (b) of disposal (including copies of sale and purchase agreements, settlement statements and titles showing the purchaser as registered proprietor), (c) the purchaser is not your associate. 	<p>Within one month after the Land has been disposed of.</p>

Reporting conditions

We may need information from you about how your investment plan is tracking so we can monitor your progress against the Conditions.

In addition to Standard Condition 2, every year, you must lodge an annual report. It must:

1. be sent to **oiomonitoring@linz.govt.nz** by 31 January every year starting 2020 until 2026 or such other date as advised by the Overseas Investment Office in writing.
2. contain information about:
 - (a) your progress in implementing and complying with the special conditions;
 - (b) your progress in obtaining the necessary resource, subdivision and any other consents required to allow the Land to be developed for residential purposes;
 - (c) the Consent Holder's progress starting, carrying out, and completing construction (including photographic evidence); and
 - (d) the Consent Holder's progress with selling the completed residential dwellings, including evidence of the sales.
3. follow the format of the template annual report published on our website.

In addition to your annual reporting obligations outlined above, you must notify us in writing (with supporting evidence) within 20 working days of the date on which:

- (a) you appoint a professional project manager as required by Special Condition 4 (including a curriculum vitae outlining their relevant professional experience);
- (b) you submit your final application for resource or building consent to the relevant authority (whichever is later); and
- (c) your resource consent commences.

If requested in writing by the OIO, the Consent Holder(s) 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.