
To:	Minister for the Environment, Fast-Track Act Consenting team
From:	Stride Investment Management Limited
Date:	2 November 2021
Re:	Johnsonville Town Centre – Fast-track Act Consenting Application – Project specifics overview

Overview

In support of Stride Investment Management Limited's (SIML) Johnsonville Town Centre Fast-Track Resource Consent Application under the COVID-19 Recovery (Fast-track Consenting) Act 2020, this memorandum satisfies 20(3)(k) of the Act by providing the Minister a brief property summary addressing the following specific matters:

1. Identification of the ownership of the site
2. Road closing status with Wellington City Council
3. Summary of agreements / easements etc relating to the interface with the Johnsonville train station
4. Brief description of the ground lease with Countdown and agreement to relocate/rebuild the supermarket
5. Provisions in lease agreements with tenants to enable redevelopment to occur
6. Build to rent accommodation

In summary, SIML manages the Johnsonville Town Centre site which is subject to the application and there is no legal interest which prevents SIML from undertaking the development sought under the application.

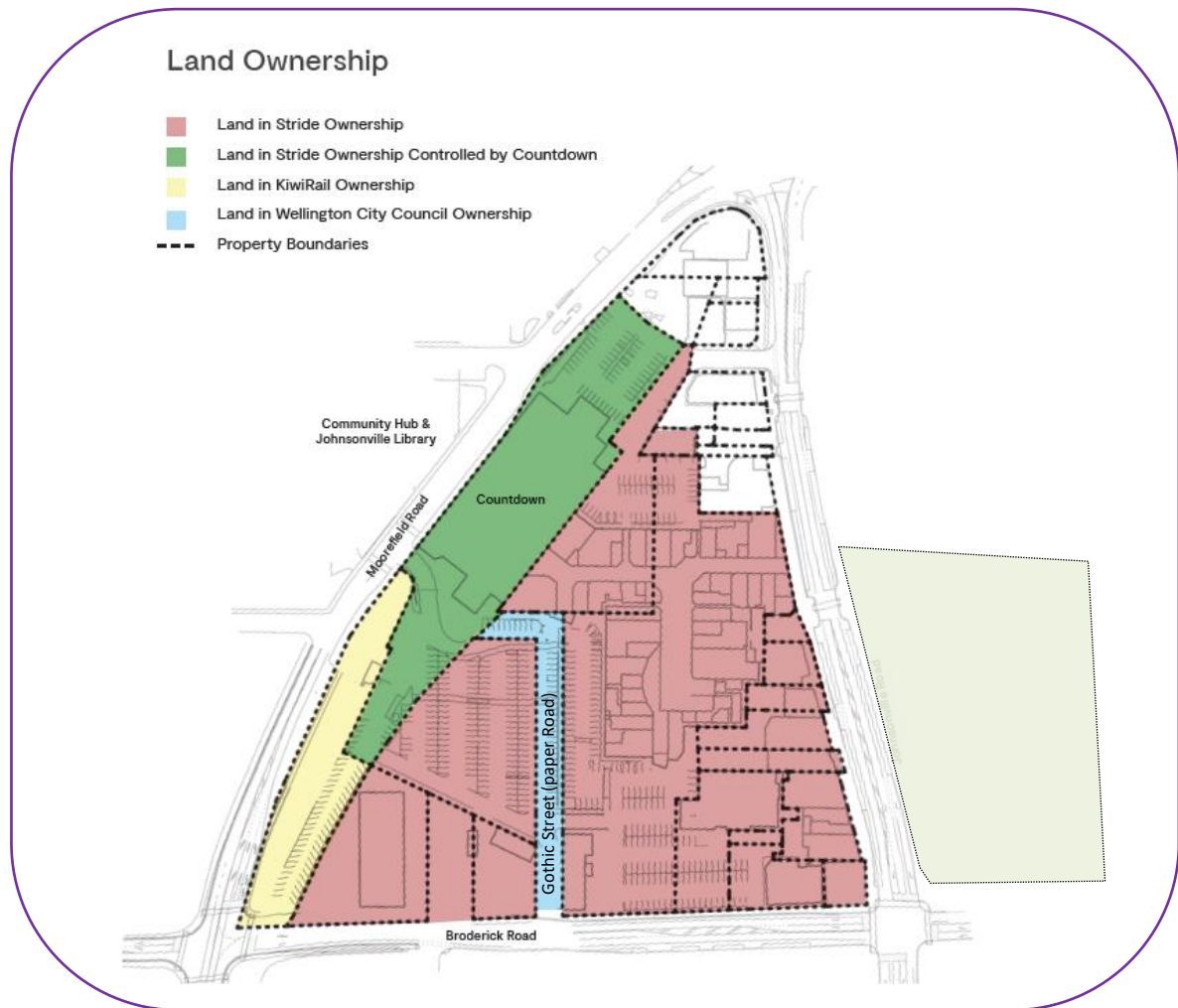
1. Identification of the ownership of the site

The Stride Property Group includes Stride Property Limited, Equity Trustees Limited (also known as Diversified Property Fund), and SIML.

Refer the site plan at Figure 1 below. Highlighted in red and green are the consolidated land parcels that collectively make up the 4.1ha Johnsonville Town Centre site. The Johnsonville Town Centre site is jointly owned as 50:50 joint venture by Stride Property Limited and Equity Trustees Limited (Stride). SIML manages the Johnsonville Town Centre site on behalf of the joint venture owners.

We also note that Investore Property Limited (which is also managed by SIML) owns the assets on the adjacent site across Johnsonville Road – Identified in light green below.

Figure 1: Plan showing land ownership of Johnsonville Town Centre



2. Road Closing Overview

The only road closure contemplated by the redevelopment is that of the existing ‘paper road’ Gothic Street, which runs north/south into the site directly off Broderick Road – refer the blue upside down ‘L’ shaped parcel in Figure 1 above. Road closure and acquisition negotiations with Wellington City Council have commenced and are expected to be concluded in early 2022. The development sought under the application as part of Stage 1 is not contingent on the closure of Gothic Street.

3. Train Station land / Easements

The Crown owns the land used for the Johnsonville train station identified in yellow as “KiwiRail Land” in Figure 1 above and Figures 2 and 3 below (KiwiRail Land). Consultation with KiwiRail and the Greater Wellington Regional Council (GWRC)/Metlink (local rail and bus operator) is ongoing with particular regard to integration of both rail and bus services directly into the new Town Centre and any changes that may be required in relation to the existing easements.

Two easements are in place in favour of the KiwiRail Land, as identified in Figures 2 and 3 below. The easement identified in green in Figure 3 is a right of way in favour of the KiwiRail Land. This easement contemplates continuous vehicle access across Stride’s land (Countdown Land Parcel only) and into the park and ride carparks

in the south-western 'arrowhead' corner of the site (as show in Figure 2 below). Continuation of vehicle access is anticipated to continue following the redevelopment of Stage 1.

The easement identified in blue in Figure 3 is a right to drain sewage in favour of the KiwiRail Land and is not an area subject to development under Stage 1.

Figure 2 – Image of right of way easement

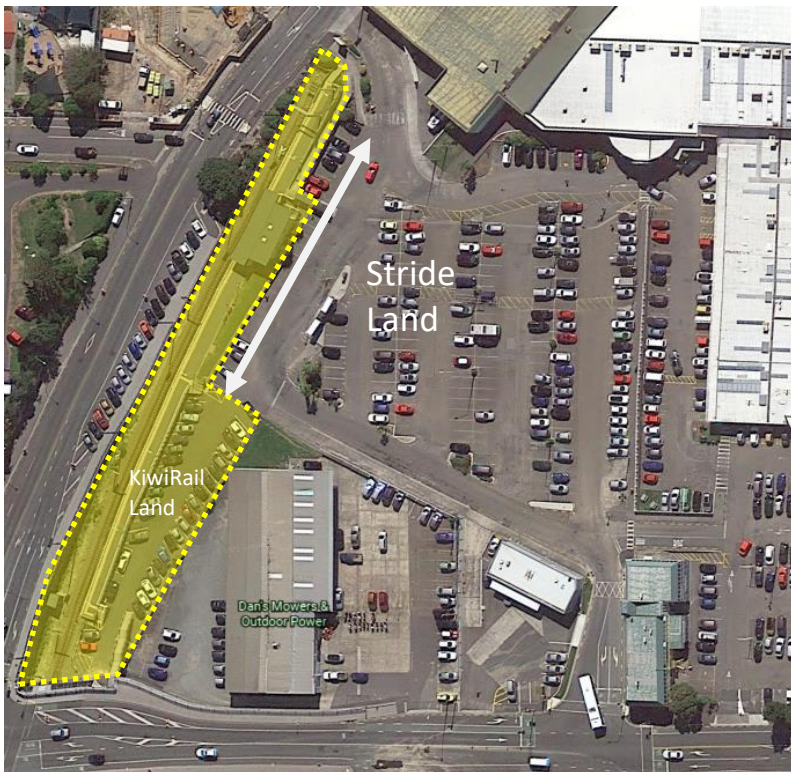
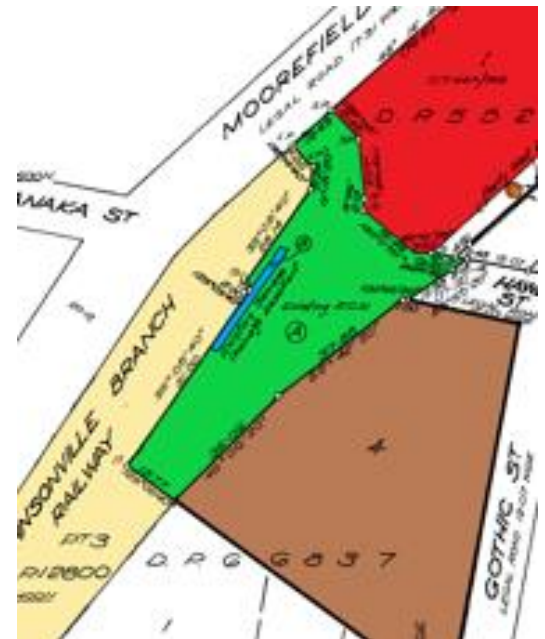


Figure 3 – Plan showing easements



Yellow:	KiwiRail Land
Green:	Stride's land subject to right of way
Blue:	Stride's land subject to right to drain sewage
Brown & red:	Stride's land

4. Ground lease with Countdown and agreement to relocate/rebuild the supermarket

Countdown currently hold a long term ground lease over the area highlighted in green in Figure 1 above. The final expiry of this ground lease is 2093. Stride owns the underlying land parcel, and Countdown own all improvements above ground, including the existing supermarket building.

Stride has negotiated (subject to final approvals) the termination of this ground lease on the basis that Stride constructs a new supermarket (generally as shown in the location in Figure 4 below) and Countdown entering a new long term traditional occupation lease with Stride.

Figure 4 – Preliminary Ground floor plan for Stage 1



Negotiations between parties have been complex but are now concluded. Countdown's approval is conditional on Stride meeting a number of operational (e.g. carparking), physical (e.g. signage, building profile) and commercial aspects.

The 'unlocking' of the Countdown ground rent parcel is critical to redevelopment of the Johnsonville Town Centre in order to provide a contiguous development site, and to deliver high quality practical and urban design outcomes, including improved connectivity across the site, connections to Wellington City Council's community precinct, connection and integration with adjoining public transport, and customer accessibility for both pedestrians and vehicles.

5. Provisions in lease agreements with tenants to enable redevelopment to occur

All existing leases within the existing Shopping Centre include redevelopment provisions to enable the proposed redevelopment to occur as anticipated without constraint. Therefore, tenants have been anticipating the redevelopment of the Shopping Centre for some time. It is also considered that now is an optimal time to redevelop the Shopping Centre due to the disruption to the retail sector and higher than normal vacancies in the centre due to Covid-19.

6. Build to rent apartments

The apartments to be developed as part of Stage 1 are to be retained in Stride's ownership and offered to the rental market. This will provide housing choice, and increased housing supply in close proximity to goods, services and public transport services. The build to rent apartments will be primarily one and two bedroom units, and it is considered that they will appeal as accommodation for key workers.

Stride also proposes significant further investment in residential Build to Rent at Johnsonville Town Centre as part of future stages (beyond Stage 1) with early estimates of investment capital of circa \$500M, and close to 1,000 units in total. The first apartment complex as part of the Stage 1 Fast Track application will be a catalyst for further residential development on the site.