

OTAKI REVISITED LIMITED

A wholly owned subsidiary of The Wellington Company Limited

BUSINESS CASE & CAPABILITY STATEMENT

August 2022

1.1 INTRODUCTION

The proposed development of the Otaki Maori Racing Club (OMRC) marks an important milestone in the history of New Zealand's only Maori racing club and for the community of Otaki.

The proposed development plans to deliver between 400 – 600 new homes (mixed tenure/ blind tenure), a village and a future for the OMRC racing club as part its integrated operating model, all part of what Kapiti newest little green community will be.

The development is being delivered by The Wellington Company Limited (TWC) wholly owned subsidiary Otaki Revisited Limited (ORL), a SPV especially established for the OMRC development.

A significant amount of work over the past 24 months has been put into the development, with support already being provided to the development jointly by Kapiti Coast District Council (Council) and Kainga Ora (KO) through the recent \$28 million dollar infrastructure acceleration fund – grant for infrastructure to help support this development and others in Otaki through infrastructure funding. This support is in recognition of the chronic housing need in community and the role this development will play in providing more and better housing solutions to community.

In delivering the development, ORL has pulled together a team of leading designers led by Moller Architects in association with McIndoe Urban and Wraight Landscape Architects, the housing will be assembled on site providing a significant employment and social development outcome.

The total estimated cost of development is s 9(2)(b)(ii) to be undertaken over a 7-year development programme and will deliver a range of housing options and choices across the housing continuum in partnership with Crown, Iwi and other to help enable and support whanau and individuals into affordable and sustainable housing of choice.

The delivery of the development will utilise off site manufacturing in the delivery of the homes with an assembly plant proposed on site. One hundred new jobs will be created as part of the development with ongoing employment opportunities being a key deliverable of the development as to other opportunities to deliver similar housing developments elsewhere throughout New Zealand from the Otaki.

The following business case and capability statement provides a high-level overview of the OMRC development, timings (programme), alignment with MFE fast track consenting and developer attributes.

1.2 THE DEVELOPER

TWC was established in 1990 and has been a major player in the redevelopment of Wellington city's urban environments and historic places. In addition to a breadth of residential and commercial development across the Wellington region, the company is taking its wealth of property experience to other parts of New Zealand.

TWC has developed and delivered billions of dollar of property including commercial, office and residential developments of scale. TWC have and are currently actively partnering with Crown, Councils and Iwi on a range of development proposals across the Wellington region.

The development of OMRC will be undertaken by ORL a subsidiary company of TWC, both companies are 100% owned by the Owner/ Directors of the companies Ian Cassels and Caitlin Taylor.

Figure 1 Provides a high-level organisational overview of the development company and its relationship to the parent entity.



Figure 1 – Organisational Ownership Structure

ORL will be responsible for all aspects of the development with key TWC staff and consultants responsible for the delivery of the development – end to end.

Development profile of the developer projects of relevance to OMRC are provided in Section 1.7

1.3 VISION FOR OMRC

THE VISION FOR OMRC:

To create a housing future for those who would otherwise not be provided the opportunity through a high quality mixed use, mixed and blind tenure community housing development of scale.

Providing a range of housing options and choices across the housing continuum in what will become an exemplar village development; whilst maintaining the significance of a key piece of Maori and community infrastructure through the retention of the Otaki Maori Racing Club activities.

Why:

The housing market is broken.

The cost of housing to purchase and rent is out of reach for most now living in Otaki.

We want to provide a housing future and new way of living and a new housing model that will provide a sustainable and affordable solution to the needs of community.

Creating a higher and better use and long term sustainability for OMRC and its landholdings.

Development Principles:

- *Respect the significance of the site to Otaki and Maori for the future.*
- *A village within a village – a place that is uniquely Otaki.*
- *Mixed/ blind tenure – more and better housing all community “Creating a housing future”*
- *An exemplar – a place that will not be like any other development (current).*
- *A range of housing types and options – that will reduce the total cost of living for whanau.*
- *Sustainable and affordable and create opportunities and provide security of tenure.*
- *A green community that enhances what exists for the betterment of future generations to come.*

The Proposal:

- *Approx. 600 units*

- *Retains and enhances the OMRC amenity and facilities – adds to these in a village context*
- *Will provide a range of housing types (typologies/ options):*
- *A mix of tenure types via:*
- *Build to rent – whanau housing/ housing for pakeke and kaumatua.*
- *Social housing – for whanau in housing need.*
- *Progressive home ownership – bridging homeownership.*
- *Affordable market housing.*
- *Seek to lower the TOTAL COST OF LIVING for whanau – integrated housing models.*
- *Using Off site manufacturing and sustainable building methodologies and technologies and creating opportunities for employment.*
- *Staged development – this will not happen all at once.*
- *Create partnering opportunities and a meaningful relationship for Nga Hapu/ OMRC and TWC for the benefit of future generations.*

1.4 THE BENEFITS – KEY METRICS

The development of OMRC meets the fast track criteria for consenting on the basis of the following outputs that will be delivered:

- *Stimulating the economy with a development at pace – The development will commence at pace, with significant investment into infrastructure already being confirmed by Crown (Kainga Ora – Infrastructure Acceleration Fund), off take agreements for the mixed community model being developed. and the developer commitment significant resource to development to enable the development to proceed.*
- *Increasing housing supply – The development will create 600 new homes and will provide a facility for further affordable housing outcomes via the off site manufactured housing plant.*
- *Generating employment – The development will result over 100 new jobs being created over the 7-year development programme with ongoing employment being created in the off site manufactured housing plant.*
- *Minimising waste and sustainability – Waste and sustainability will be managed in accordance with green communities with housing being constructed using off site manufactured housing technologies.*
- *Environmental design – OMRC will be developed as a green community, registration of the development will commence upon referral by MFE, with initial pre planning works having already been commenced on the framework for implementation.*
- *Cultural – The development will be key to the long-term sustainability of OMRC a key piece of community infrastructure and a site of significance culturally to Maori racing.*
- *Investment – The development will act as a catalyst for development in Otaki and the wider Kapiti Coast District, with over 100 new jobs being created, a OSM housing plant and local jobs and other enterprises proposed within the OMRC space.*

1.5 FINANCIAL & OTHER

The development of OMRC is anticipated to generate over **§ 9(2)(b)(iii)** of direct development and construction investment into the Otaki, Kapiti and wider New Zealand economy.

In addition to this the development will result in an additional \$350m in a new rating base, that will provide a mix of social housing, build to rent (BTR), supported (progressive homeownership) and affordable market homeownership housing, all within a supported and sustainable green community.

The benefits to both the economy through development, the industries and employment created and the long term social benefit through housing sustainability will be significant for community and have been forecast as part of the social/ economic impact assessments prepared as part of this application.

Furthermore the wider cultural and financial benefit to the retention of the OMRC for community and Maori are significant and have not been fully contemplated as part of this application.

1.6 TIMELINES FOR DEVELOPMENT DELIVERY

A full development programme for the development of OMRC has been confirmed, with the proposed development timeframes being 7 years from commencement on site.

Subject to consents being granted in a timely manner and off take assumptions being in alignment with market and housing needs data, the development will commence on site in early 2023 with completion in the first quarter of 2029.

A full development programme is provided as part of the Fast Track referral application for the development.

1.7 KEY PERSONAL – OTAKI MAORI RACING CLUB DEVELOPMENT

IAN CASSELS

Director/ Shareholder

Ian is a Director of The Wellington Company Limited; Ian has over 30 years development experience responsible for transforming spaces and places throughout Wellington City; developing and transacting over \$1b+ of property todate.

Key developments todate include Spark Central – Wellington’s First 5 Star Green Building, the redevelopment of Hannahs Factory into Wellingtons first premium apartment development and more latterly the redevelopment of the former Erskine College, Monark and the refurbishment of over 200 apartments as part of a Wellington City Council build to rent programme and seeking to pioneer affordable housing through off site manufactured housing – a key component of the proposed Otaki Maori Racecourse development proposal.

The Wellington Company’s currently has a development pipeline of projects in excess of \$1billion to be delivered over the next 7 years, including the redevelopment of Shelly Bay Taikuru in partnership with Taranaki Whanui Limited and Wellington City Council.

EARL HOPE-PEARSON

Development Manager

Earl is OMRC Development Manager. Earl has over 20 years’ experience in private and public sectors, working across a range of complex infrastructure, property and development sectors, transactions and developments. Earl is currently the Development Director on over \$1b of medium density and high-rise residential developments, office redevelopments, greenfield subdivisions located in Wellington and nationally, where he manages the projects from concept, feasibility and consenting through to branding, marketing, procurement, structuring and development delivery.

1.8 TRACK RECORD PROJECTS

TWC has a significant track record of delivering complex, high-quality development of scale and to the value proposed, the following provides of a high level overview of the developments completed or currently under development.

A number of these developments are currently being completed independently or in partnership with Maori/ Iwi and/ or the Crown.

Erskine, Island Bay Wellington

s 9(2)(b)(ii)



The redevelopment of the former Erskine College site, into a medium density housing development comprising of 97 residential dwellings, providing a mix of housing typologies appealing to a broad range of purchasers and investors – delivering what is one of Wellington's most unique residential developments.

A key element of Erskine has been the retention of the former Erskine Chapel, a category 1 heritage building that required extensive strengthening and refurbishment works complimented by a 25-car park podium and rooftop landscaped piazza.

Erskine has become one of Wellington's premium residential developments.

STATUS: Completed 2021

Project duration: 2016 to 2021



The Madras, Christchurch

s 9(2)(b)(ii)

The Madras was the development of 22 two-bedroom, two bathroom terraced housing units, located within Christchurch's Four Avenues.

The Madras, a design and build contract with Laings Construction Limited, demonstrated a streamlined approach to delivering a high-quality housing development with early contractor engagement and delivery from project concept to completion. Providing for speed of delivery, whilst ensuring a high quality and affordable delivery solution, with all homes selling for <\$550,000.

Enabled through a partnership with Christchurch City Council.

STATUS: Completed 2020

Project duration: 2019 to 2020

Paetutu Petone, Lower Hutt

s 9(2)(b)(ii)

The development of Paetutu delivered 56 terraced housing units in the Lower Hutt suburb of Petone.

The development was developed in partnership with Te Tumu Kainga, Taranaki Whānui and The Wellington Company Limited; with ED leading all aspects of the development.

The development laid the foundations for high quality medium density living in the Hutt Valley and was the recipient of a 2020 NZIA architectural award for medium density housing.



Paetutu continues to be a high valued part of the Petone community, and since being developed has achieved record breaking sales for the area and being a highly desirable community to live in.

STATUS: Completed 2019
Project duration: 2017 to 2019

1.9 OUR CURRENT PROJECTS

The Wellington Company current projects under construction or development include the following project.

MONARK, Mt Cook Wellington

Big Future Limited

s 9(2)(b)(ii)

A city fringe apartment development located in Mt Cook, Monark comprises of 93 one and two bedroom apartments, utilising a precast and in-situ concrete construction, Monark will be first apartment block to be developed on the future Adelaide growth spine.

A stone's throw from the Basin Reserve, delivering a mix of KiwiBuild and market sales; Monark has proved extremely popular in the market.

This project, developed by TWC, brought together Taranaki Whānui Limited (via RFR), KiwiBuild to deliver this affordable housing development at scale.

STATUS: In construction completion August 2022



TE PUNAWAI PAPA KĀINGA, Wainuiomata

s 9(2)(b)(ii)

TWC completed a development review of a proposed Papakāinga housing development located on the former Wainuiomata primary and intermediate college site. This development review resulted in a development refresh and a revised development proposal being implemented.

To date the site has been fully consented, providing for the development potential of over 180 units of which stage 1a has been completed enabling 19 whanau to access affordable homes via shared equity and affordable whanau housing programme and enabling others to invest directly into their whenua. In addition to this an 11-unit kaumātua housing unit complex has been developed trialling a prototype building system.

Plans are currently underway to complete the remaining stage 1 units of 60 homes with the remaining 102 units awaiting development.

STATUS: Stage 1a complete (19 units + 11 Kaumatua Units)
– Stage 1b in construction.



THE CLEARING – NORTH CANTERBURY, Amberley

s 9(2)(b)(ii)

TWC's The Clearing development located in the North Canterbury township of Amberley will deliver 360 new residential lots into Amberley; a community that is seeing significant change and transformation arising from significant investment made into the Northern Corridor.

The development will be consented and developed across five stages of development, split into two consenting packages and will challenge the current status quo for residential development; with significant investment in the public realm, a mix of section types and the creation of down sizer precincts and affordable housing lots.

Sales have commenced and construction is anticipated in the first quarter of 2022.

STATUS: In construction

Table 1 provides a further selection of current projects we are working on include:

| PROJECT | TYPE | VALUE (DEVELOPMENT) | COMPLETION |
|--|--|------------------------|------------|
| ARO Living Townhouse Development Wellington | ARO comprises of 61 three and four storey terraces and a low rise 48-unit apartment complex in the heart of Wellington's CBD. ARO has achieved record sales results. This project has brought together Taranaki Whanui Limited and Ministry Housing Urban Development (MHUD) to deliver Wellington's first Land for Housing Programme development that will see 30% of the development delivered as affordable housing. | s 9(2)(b)(ii) | 2023 |
| Avalon Towers Residential Redevelopment Lower Hutt | Initial feasibility undertaken to determine benefit & value and then undertook a client-side Project Management and lead consultant services managing the design, consenting, procurement of consultants and contractors and management of delivery | | 2023 |
| Shelly Bay Taikuru Wellington | Development of a new seaside village/ commercial hub featuring 350 new townhouses, apartments, sections commercial precinct, wharf redevelopment, boutique hotel all within a highly landscaped environment. All contained within what will become New Zealand's first Green Community of scale. As part of the development all new bulk infrastructure will be developed including – pump stations, 5km rider main, 1m3 reservoir, power upgrades, seawalls, stormwater discharges etc and community infrastructure. The total estimated infrastructure spend on site will be circa s 9(2)(b)(i) | | 2027 (Est) |

| | | | |
|---|--|---------------|-----------|
| Trojan House Apartment Development Wellington | Redevelopment of the former Trojan House office building located on Manners Street Wellington, delivering 5 new retail units set on Lukes Lane and 20 apartments and two high end penthouses. The project will include the full seismic strengthening, full exterior and interior building refurbishment | s 9(2)(b)(ii) | 2022 |
| High Street Quarter Lower Hutt | The redevelopment of the former Lower Hutt BNZ site, the development involved a full due diligence of the existing building and site for redevelopment, the removal of a complex structure and redevelopment of mixed use residential and commercial development (29 units) and public laneway in partnership with Lower Hutt City Council on Lower Hutt High Street. This project was a first for Lower Hutt, presenting a product with no carparking, integrated public private realm and set a new record for sale values for inner city residential. | | Completed |

Table 1 – TWC developments in construction

1.10 SUMMARY

TWC have over 30 years of development experience and track record in delivering high value complex developments of scale.

The development of OMRC represents a significant development for TWC and its subsidiary ORL in developing a scaled affordable housing development that will deliver the community Otaki with a housing future and OMRC with long term sustainability.

The development subject to receipting consent is ready to commence and the housing needs within community are significant.

The delivery model will utilise OSM construction (utilising locally sourced and manufactured materials), the first development of its type – delivering a green, mixed and blind tenure of scale. A total of 400 to 600 homes will be developed over a 7 year development programme.

The development will create 100 new jobs and offer many other additional opportunities for community in partnership with community.

TWC has invested significantly in the development to date and the project is widely supported by Council, KO and other key stakeholders who will play a key role in the delivery of the development.