

23 February 2023

Ms Rebecca Perrett
Principal Analyst
Ministry for the Environment

s 9(2)(a)

Dear Ms Perrett

RE: MANSION REAR LTD - 8 STEVENSONS CRESCENT – PROPOSED DEVELOPMENT

1. Mansion Rear Ltd ("MRL") proposes to undertake a mixed-use development at 8 Stevenson's Crescent, Albany ("Property"). While plans are still evolving and being refined, the latest vision enables nearly 140 residential dwellings plus a limited amount of commercial floorspace ("Project").
2. MRL wishes to apply for the necessary resource consents via the "fast track" procedure under the COVID-19 Recovery (Fast-track Consenting) Act 2020 ("FTCA").
3. This letter is written in conjunction with MRL's application to the Minister of the Environment for referral to an expert consenting panel under the FTCA process of the proposed development at the Property ("Application").

Ownership

4. MRL is a New Zealand limited liability company that was incorporated in December 2014. Ms Junge Xu ("Ms. Xu") is the sole director and shareholder of MRL and therefore has a controlling interest in MRL.

Record of Title

5. The Property is currently owned by Ms. Xu's sister and brother in-law (Junjie Xu and Xianghai Chen). A current record of title of the Property has been provided as part of the Application.
6. A binding agreement (which has been provided as part of the application) is in place between Ms. Xu and her sister to authorise Ms. Xu to:¹

"...undertake any and all things required to complete the development of the property in accordance with the granted resource consents, including any subsequent variations to the resource consents."

7. This entitlement will arise once the resource consents for the development of the Property have been granted and prior to drawing on the project finance.

¹ Letter of agreement dated 14 February 2023.

8. Currently, Ms. Xu and her sister intend to fulfil the obligations of the agreement through the transfer / purchase of the Property. The timing of the transfer / purchase of the Property will be worked through as the project finance is finalised.

Staging of the Project (including the nature and timing of staging)

9. The total Project duration is anticipated to be 36 months. Civil works are expected to be completed within 18 months and vertical construction, overlapping with civil works, to take 24 months.
10. MRL anticipates that house construction will be able to be staged and it will begin after 12 months of civil works when roading is completed over the part of the Project adjacent to the Stevensons Crescent, making the total duration of the Project 36 months.
11. Vertical construction of the Project will be sequenced in a staged manner through a number of discrete areas.
12. Figure One outlines the anticipated stages of development of the Project. It also identifies the discrete areas identified for vertical construction within the stages and the location where house construction is anticipated to start.

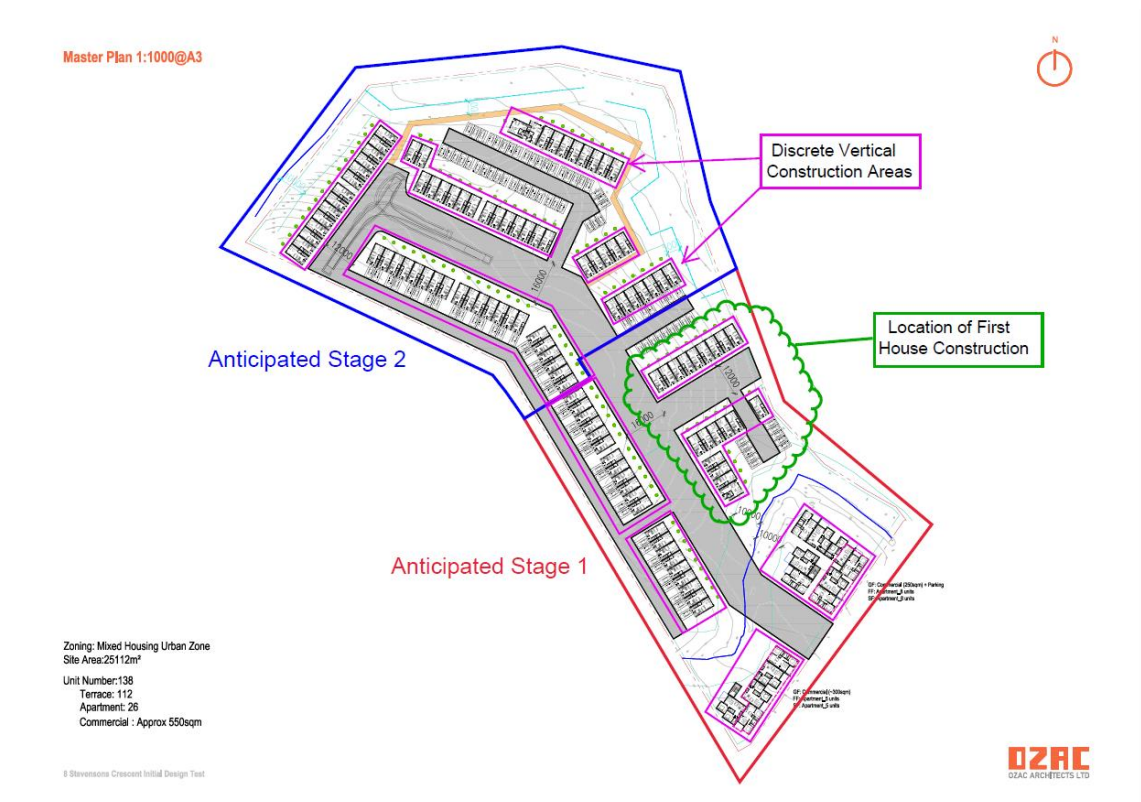


Figure One: Potential stages of construction for 8 Stevensons Crescent

Timeline of construction / works

13. A high-level timeline of construction / works for the Project is set out below:
- (a) Months 1 to 2 – Site establishment and setup of sediment control measures.
 - (b) Months 3 to 18 - Horizontal development - Civil works - bulk earthworks, retaining walls as required, roading, drainage.

- (c) Months 9 to 19 – Installation of underground services up to building sites.
 - (d) Month 13 to 36 (24 months) – Staged vertical construction of buildings.
 - (e) Months 20 to 36 - House completion for settlement.
14. Figure Two includes a Gantt chart that shows the timeline of construction.

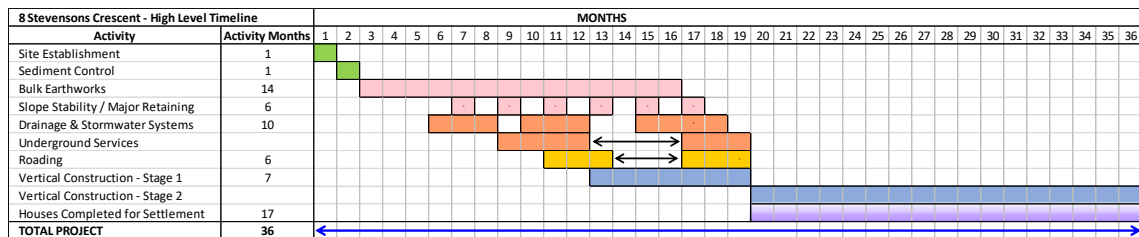


Figure Two: Gantt chart showing the timeline at 8 Stevensons Crescent

Anticipated commencement and completion of construction activities

15. Assuming that consents are granted in August 2023, MRL anticipates that:
- (a) Site establishment could begin in late September 2023;
 - (b) Sediment control and preliminary site works could be established in October 2023; and
 - (c) Bulk earthworks could then begin in November 2023 (in line with the recognised Auckland summer earthworks season).
16. Construction is expected to be completed between 19-36 months from commencement.

Purpose and objective of proposal

17. MRL wants to develop affordable housing in the Albany area with good amenities. Specifically targeting first home buyers, individuals, small families, and young families because it considers that Albany locally provides excellent education (schools and universities) and arguably the best of all other amenities that are required for urban living.
18. MRL notes that, prior to the promulgation of the Auckland Unitary Plan ("AUP"), the Property had a residential zoning. All infrastructure required to develop the Property and provide medium density housing (3 waters, etc.) is available.
19. The proposed housing will be a mix of 2, 3 and 4-bedroom dwellings with an anticipated sale price between \$650k and \$1M. MRL considers that in the Albany area, these sale prices comfortably fall within an affordable price bracket. Housing in this price range is not readily available elsewhere on the North Shore or in Albany.

Project finance and funding

20. Based on previous experience, MRL is confident it will be able to obtain full funding for the complete subdivision and development of the Project from its brokers. Recently MRL has secured funding through Golden Water Fund GP Limited ("GWF") for a 16 lot subdivision and development of stand-alone four bedroom houses in Ranui, Auckland.

21. MRL confirms that Project funding for the development will be provided by a Senior Loan facility from non-bank lenders.
22. A letter of intent from GWF in relation to the funding of the development has been provided as part of the Application.
23. Australian based Labassa Capital Pty Ltd ("LCPL"), a specialised real estate debt and equity investor, has also expressed their interest in providing funding for the project. A letter of intent from LCPL in relation to the funding of the development is also provided as part of the Application.

Pre-application discussions with Auckland Council and the Ministry for the Environment

24. A pre-application meeting was held by Ms. Xu and her consultants with Auckland Council on 17 December 2020 (minutes from this meeting have been provided as part of the Application) to discuss the development of the Property through the process of seeking resource consent rather than a plan change.
25. The initial part of the meeting discussed the fact that the land previously had residential zoning and was rezoned to Future Urban Zone ("FUZ").
26. On 17 June 2022, Ms. Xu and her consultants met with officials from the Ministry for the Environment to discuss the proposal and the feasibility of making an application to authorise the development via the FTCA fast track procedure. It was discussed that the fast track procedure was a feasible option, and that the next steps would include framing up a structure plan with a clear project description, along with preliminary technical assessments of effects for the fast track referral process.

Previous resource consent applications lodged in respect of the Property

27. The previous owners of the Property applied for resource consent to subdivide the Property on 15 August 2016. The relevant application documents have been provided as part of the Application. MRL has reviewed Auckland Council's property file for 8 Stevensons Crescent and has also had phone discussions with Auckland Council's planning desk, who confirmed that they could not find any other resource consent applications at the site since the 2016 application.

Project management

28. At this stage, OZAC Architects are the intended project managers for the vertical construction of the Project with civil works to be supervised by consulting engineers DHC Consulting. It is proposed that MRL will directly employ the management staff to oversee the Project.
29. As with MRL's other projects standard construction methodologies will be used to minimise waste during construction and recycle materials where possible. In terms of sustainability, the contractors and builders will where possible specify and use building products from recycled, secondary, or sustainable sources and intend to instruct their onsite workers to use materials efficiently and achieve a "low-carbon" construction goal. Additionally, earthworks will be designed to achieve a cut and fill balance when possible.

Past record of compliance

30. Ms. Xu is an experienced investor / developer. Through her property development company, MRL, Ms. Xu has undertaken the quality development of a subdivision comprising five lots with stand-alone five bedroom houses in Birkdale, Auckland. Ms. Xu is also currently undertaking the staged subdivision and construction of a 16-house medium-density residential dwelling project in Ranui, Auckland.

31. MRL has a strong history of disciplined environmental compliance in the projects it has undertaken, and there have been no compliance or enforcement action against it.
32. The same approach towards ensuring strong environmental management that is central to MRL's values will be applied to the 8 Stevensons Project.
33. We trust that the above proves satisfactory to your requirements, should you require any additional information, please do not hesitate to contact us.

Yours sincerely,



Junge Xu

Mansion Rear Ltd