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<b>Business Group:</b>	Urban Development- Delivery
<b>Subject:</b>	<b>153 BONAIR CRESENT, MILLWATER, SILVERDALE</b>

## Purpose

1. To seek approval to complete the acquisition of 153 Bonair Crescent, Millwater, Silverdale at the agreed purchase price of \$5,002,500 inclusive of GST.

## Recommendations

2. It is recommended Market Delivery Director:
  - a) **approve** the acquisition of 153 Bonair Crescent, Millwater, Silverdale by Housing New Zealand Limited for \$5,002,500 inclusive of GST.
  - b) **note** the Purchase price of \$5,002,500 inclusive of GST is below the assessed current market value of \$5,520,000 inclusive of GST.
  - c) **note** Development Strategy will brief this property to Construction and Innovation to undertake the development.

## Executive Summary

3. 153 Bonair Crescent ("Property") is located within the new Silverdale suburb of Millwater that is still under development. Millwater is approximately 35 kilometres north of Auckland CBD. The Property is approximately 800 meters from Silverdale Mall, 600 meters from Silverdale School and Croix reserve is directly opposite.
4. The Property is a 'shovel ready' development comprising a land area of 4,787m<sup>2</sup> with approved resource and building consents to develop the land and build 38 apartment units over three buildings. This acquisition will allow Kāinga Ora deliver new homes in an expedited manner.
5. Kāinga Ora portfolio of properties in Silverdale only comprises 18 terrace houses acquired in 2018.

## Background

6. The Property is a rectangular site with three street frontages to Bonair Crescent, Percival and Fleur Lane with a total site area of 4,787m<sup>2</sup> (more or less).
7. Auckland Council has granted resource and building consent to build three two level apartment buildings comprising 38 apartment units made up of 36 two bedroom units and 2 x three bedroom units.
8. In May 2019 Kāinga Ora and Broadway Developments Ltd ("Vendor") started negotiations to purchase the Property as a New-Build project, however we could not agree on price. The Vendor expressed there was insufficient profit at the assessed current market value.
9. In February 2020 the Vendor decided to sell the Property and engaged Colliers as marketing agent.
10. The land acquisition is endorsed by People and Homes and Development Strategy to complete the consented development for public housing

## Discussion

11. The acquisition of the Property will enable Kāinga Ora to build housing units in an area of demand where Kāinga Ora owns limited homes. Kāinga Ora does not own any redevelopment sites in this location.
12. Kāinga Ora will investigate altering the ground floor units to make them suitable for accessible or universal design units. Kāinga Ora will convert one unit into a multi-functional community facility to conform to the principles in Space for Building Communities.

## Proposal

## Conditional agreement to purchase and due diligence investigations

13. On 25 March 2020 tenders closed for offers to purchase the Property. Due to the COVID-19 lockdown Kāinga Ora could only submit an expression of interest.
14. On 27 March 2020, Kāinga Ora and the Vendor entered into a conditional sale and purchase agreement at a purchase price of \$5,002,500 inclusive of GST.
15. The consented development consists of three blocks of two level apartment buildings providing for two and three bed units with open-air car parking to the rear. Refer to Scheme Plan and Floor plans in Attachment 1.
16. Kāinga Ora engaged a consultant to undertake a review of the resource and building consent conditions including all reports that form part of the resource and building consents. The consultant advised the consent conditions were acceptable and would enable Kāinga Ora to complete the development.
17. An independent valuer assessed the current market value for the development site to be \$5,520,000 inclusive of GST. Refer to Current Market Valuation Report in Attachment 2.

## Consultation

18. People & Homes, Development Strategy, and Partnership and Community Engagement support this acquisition.

## Risks

19. There is always an inherent risk with developing property. Kāinga Ora has the capabilities to mitigate and manage any development risks that may arise.

## People and Resource Implications

20. Kāinga Ora has the resources and skills to complete the development.

## Financial Implications

21. Kāinga Ora has committed to \$38.2 million of the \$45 million land acquisition budget for the 2019/20 financial year.
22. There is sufficient funds in the land acquisition budget to complete the acquisition of the Property at the contract price of \$5,002,500 inclusive of GST
23. The contract price of \$5,002,500 inclusive of GST is below the assessed current market value of \$5,520,000 inclusive of GST.
24. This development has a desktop assessed IROI of **s 9(2)(j)** Refer to Estate Master - Draft Finance Memo in Attachment 3.

## Legal Implications

25. Market Delivery will engage Legal to complete the conveyancing work.

## Health, Safety and Security Implications

26. There is no health, safety and security implications to this paper

## Communication and Engagement

27. Market Delivery has engaged the Partnership and Community Engagement Team to prepare an engagement plan in the event Kāinga Ora need to engage with the local community.

### Next Steps

28. Upon approval, Kāinga Ora will confirm with the Vendor's solicitor the agreement to be unconditional and vary the settlement date to the 19 June 2020.

29. This acquisition will be handed over to Development Strategy to prepare a Development Brief.

### Attachments

30. There are two attachment(s) to this paper:

Attachment 1: Scheme Plan and Floor Plans

Attachment 2: Current Market Valuation Report

Attachment 3: Estate Master – Draft Finance Memo

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Anthony Law  
Partnering Manager



Date: 22 May 2020

Geoff Mills  
Market Delivery Director

Date:

Scott Holdsworth  
Market Delivery Acquisition Manager



Date: 22 May 2020

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## Scheme Plan and Floor Plans



SITE DESCRIPTION:	BUILDING COVERAGE:	IMPERMEABLE SURFACE:	PERMEABLE SURFACE:	LANDSCAPING REQUIREMENTS:	EARTH WORKS:	PRIVATE OPEN SPACE:
Lot 1911, 1912 & 1913 Bonair Crescent Mairangi Auckland LOT: 1911, 1912, 1913 & 1914 DP: 507339 CT: 774626, 774627 & 774628 AREA: 4751m <sup>2</sup>  ZONE: Mairangi South Precinct - Single House Zone  Wind Zone: H EQ Zone: 1 Exposure Zone: G	Maximum Building Coverage = 65% Site Area = 4322m <sup>2</sup> , Overlays 40% = 1915m <sup>2</sup>  Proposed Building Coverage: Block A: 492m <sup>2</sup> Block B: 758m <sup>2</sup> Block C: 882m <sup>2</sup> Storage Units: 700m <sup>2</sup>  (includes balconies over 1m above ground)  TOTAL BUILDING COVERAGE: 1945m <sup>2</sup> (45%) (IMPROVED BY 300%)	Maximum Impermeable Surface Coverage = 65% Site Area = 4322m <sup>2</sup> , Overlays 40% = 1915m <sup>2</sup>  Proposed Floor Coverage: 1950m <sup>2</sup> Proposed Drive & Footpaths: 1500m <sup>2</sup> (not covered by roof) Proposed Plaza & Stairs: 386m <sup>2</sup> (not covered by roof)  (excludes planted details less than 1m above ground)  TOTAL IMPERMEABLE SURFACE: 3846m <sup>2</sup> (89%) (IMPROVED BY 1000%)	Maximum Permeable Surface Coverage = 65% Site Area = 4322m <sup>2</sup> , Overlays 40% = 1915m <sup>2</sup>  Proposed Permeable Surface: 431m <sup>2</sup>  (includes site that details less than 1m above ground)  TOTAL PERMEABLE SURFACE: 831m <sup>2</sup> (19%) (IMPROVED BY 1000%)	Front Yard Landscaping Requirements = 65% Front Yard = 4322m <sup>2</sup> , Overlays 40% = 1915m <sup>2</sup>  Proposed Front Yard Landscaping: 332m <sup>2</sup>  TOTAL FRONT YARD LANDSCAPING: 332m <sup>2</sup> (8%) (COMPLIES)	Minimum Earth Works = -  <i>Compliance per DP 507339</i>	Private Open Space Required: 20m <sup>2</sup> for ground floor units, otherwise 19 units x 25m <sup>2</sup> = 475m <sup>2</sup> and 2nd floor floor units, otherwise 19 units x 25m <sup>2</sup> = 475m <sup>2</sup>  200m <sup>2</sup> Elevated Ground Floor 10 units x 20.2m <sup>2</sup> = 444m <sup>2</sup> 400m <sup>2</sup> Elevated First Floor 10 units x 11.6m <sup>2</sup> = 226m <sup>2</sup>  (COMPLIES)



BLOCK TYPE KEY	
<b>A</b>	2 Bedroom Ground Level Terrace Apartment x 5 2 Bedroom Upper Level Terrace Apartment x 4 3 Bedroom Upper Level Terrace Apartment x 1 Total Building Coverage 497m <sup>2</sup>
<b>B</b>	2 Bedroom Ground Level Terrace Apartment x 6 2 Bedroom Upper Level Terrace Apartment x 3 Total Building Coverage 750m <sup>2</sup>
<b>C</b>	2 Bedroom Ground Level Terrace Apartment x 6 2 Bedroom Upper Level Terrace Apartment x 5 3 Bedroom Upper Level Terrace Apartment x 1 Total Building Coverage 882m <sup>2</sup>
	Pre-fabricated Storage Units x 20 Total Building Coverage 700m <sup>2</sup>
Total Residential Dwellings = 38 Total Carparks = 40	

FLOOR AREAS BY BLOCK/UNIT								
Block A			Block B			Block C		
Ground Floor			Ground Floor			Ground Floor		
Unit	Over Framing	Over Block	Unit	Over Framing	Over Block	Unit	Over Framing	Over Block
A1C	91.8m <sup>2</sup>	93.0m <sup>2</sup>	B1C	85.2m <sup>2</sup>	86.4m <sup>2</sup>	C1C	75.8m <sup>2</sup>	81.0m <sup>2</sup>
A2G	75.8m <sup>2</sup>	77.6m <sup>2</sup>	B2G	75.8m <sup>2</sup>	77.6m <sup>2</sup>	C2G	75.8m <sup>2</sup>	77.6m <sup>2</sup>
A3G	75.8m <sup>2</sup>	77.6m <sup>2</sup>	B3G	75.8m <sup>2</sup>	77.6m <sup>2</sup>	C3G	75.8m <sup>2</sup>	77.6m <sup>2</sup>
A4G	75.8m <sup>2</sup>	77.6m <sup>2</sup>	B4G	75.8m <sup>2</sup>	77.6m <sup>2</sup>	C4G	75.8m <sup>2</sup>	77.6m <sup>2</sup>
A5G	75.8m <sup>2</sup>	81.0m <sup>2</sup>	B5G	75.8m <sup>2</sup>	77.6m <sup>2</sup>	C5G	75.8m <sup>2</sup>	77.6m <sup>2</sup>
			B6G	75.8m <sup>2</sup>	77.6m <sup>2</sup>	C6G	91.8m <sup>2</sup>	93.0m <sup>2</sup>
			B7C	75.8m <sup>2</sup>	77.6m <sup>2</sup>			
			B8G	85.2m <sup>2</sup>	86.4m <sup>2</sup>			
First Floor			First Floor			First Floor		
Unit	Over Framing		Unit	Over Framing		Unit	Over Framing	
A1F	93.1m <sup>2</sup>		B1F	82.1m <sup>2</sup>		C1F	76.2m <sup>2</sup>	
A2F	73.1m <sup>2</sup>		B2F	73.1m <sup>2</sup>		C2F	73.1m <sup>2</sup>	
A3F	73.1m <sup>2</sup>		B3F	73.1m <sup>2</sup>		C3F	73.1m <sup>2</sup>	
A4F	73.1m <sup>2</sup>		B4F	73.1m <sup>2</sup>		C4F	73.1m <sup>2</sup>	
A5F	75.2m <sup>2</sup>		B5F	73.1m <sup>2</sup>		C5F	73.1m <sup>2</sup>	
			B6F	73.1m <sup>2</sup>		C6F	93.1m <sup>2</sup>	
			B7F	73.1m <sup>2</sup>				
			B8F	82.1m <sup>2</sup>				

LEGEND:	
	Proposed concrete (hydro bladed)
	Proposed concrete (brush finish)
	Proposed timber slatted deck
	Proposed grass area
	Proposed retaining (concrete) concrete block
	Proposed retaining (timber)
	Proposed rail fence (aluminium)



PERCIVAL LANE



**LEGEND:**

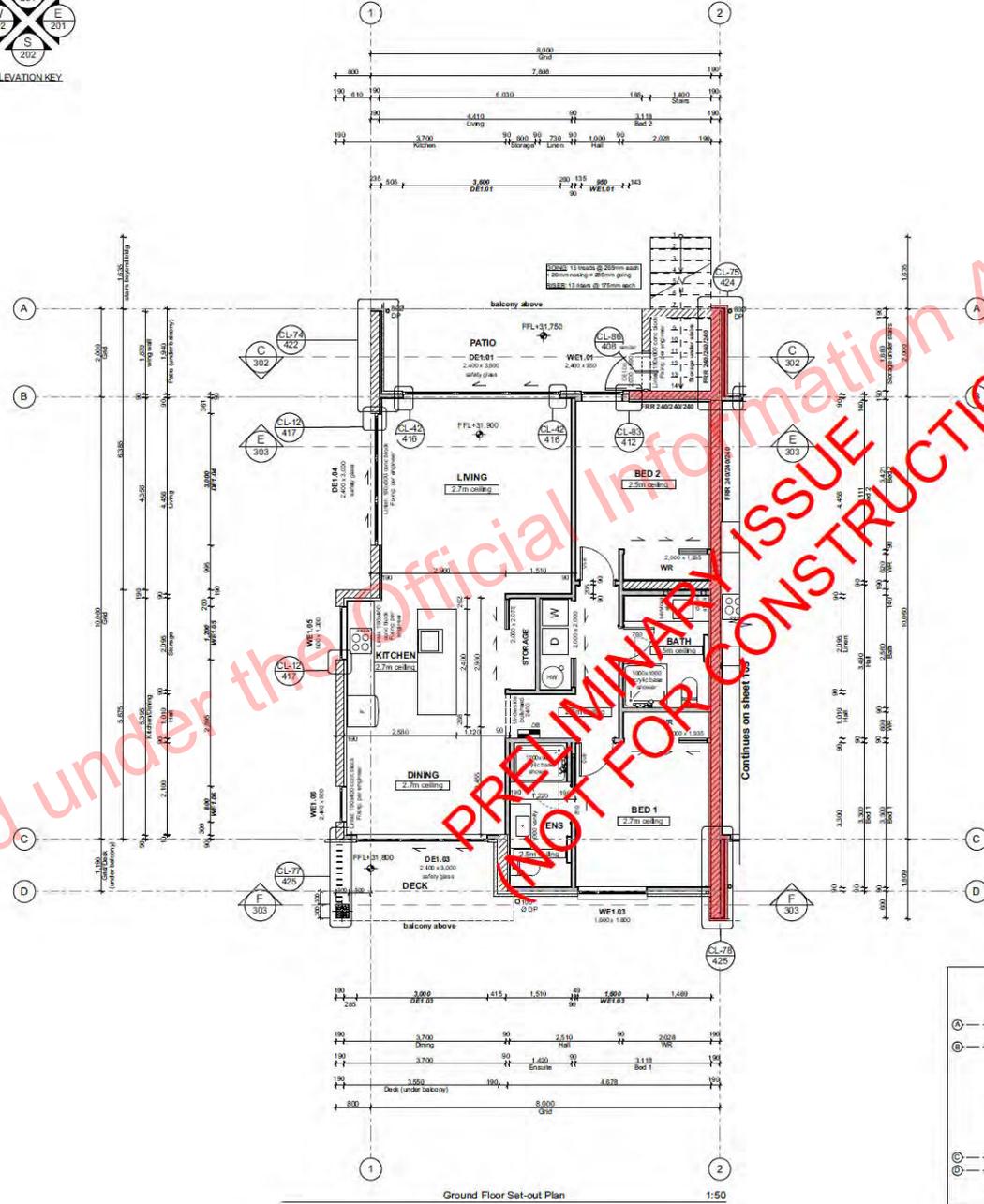
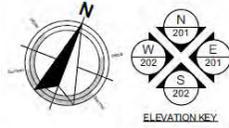
- Existing contour line in terms of DOBLI
- Existing spot level
- Proposed spot level
- Existing timber retaining wall
- Existing metal rail fence
- Proposed concrete (hydro-bi-sod)
- Proposed concrete (brush finish)
- Proposed timber slatted deck
- Proposed retaining (in-situ concrete block)
- Proposed retaining (timber)
- Proposed rail fence (aluminium)

**NOTE:**  
All setback dimensions are measured in a horizontal plane from the boundaries.

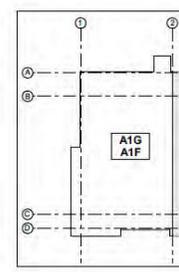
Refer to sheet RC-07 for Block B







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Ground Floor Set-out Plan 1:50



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