

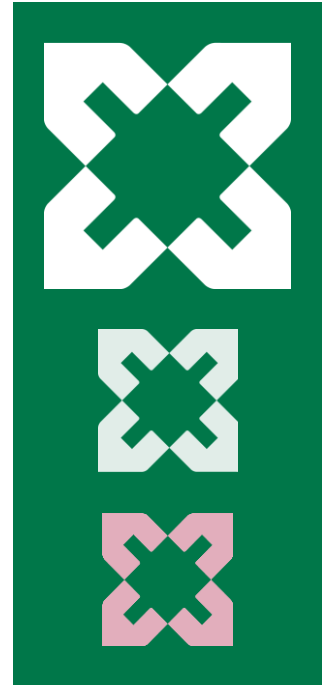
Development Agreement FAQs

Why can't we use a simple Auckland District Law Society (ADLS) sale and purchase agreement?

- The ADLS agreement doesn't cover all of the things that need to be addressed in creating the Lakeside community. The parts that are relevant have been retained e.g. the provisions around settlement procedures.

What is in a development agreement?

- The agreed commercial terms – These are set out at the front of the agreement.
- The mechanics of settlement – The relevant parts of the ADLS agreement are included.
- An obligation to build – Kāinga Ora is selling land for housing, not for land-banking. The agreement reflects that. It describes what the developer has agreed to build and by when. It sets out design guidelines.
- Creation of the Lakeside community – It's important not just that the houses are built, but also that a community is established. The master plan is included and design obligations are explained. There are clauses about how to be a good neighbour when working in this community, things like consultation with and involvement of locals.
- Communication – Monthly meetings are set up to catch up on progress and to deal with anything that needs to be talked about. The agreement sets out what is expected and what reports need to be prepared before each meeting.
- Supporting the development – Each party is to support the other in completing the project. This includes not objecting to the master plan development. An encumbrance will be registered against the land recording that.



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What on-going responsibilities will the developer have after settlement?

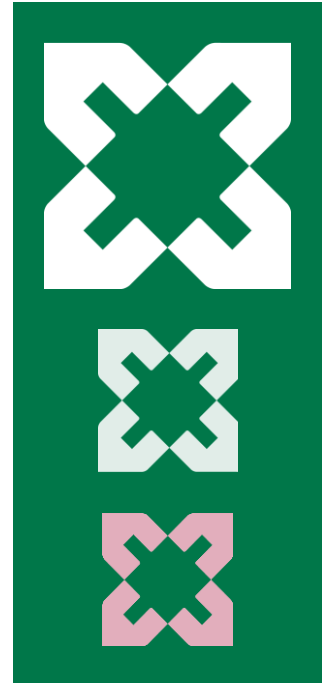
- All of the obligations described in the development agreement that have not been met by settlement will continue to apply e.g. the requirement to build the homes and sell them to end purchasers.

Do I have to use an agreement like this when I sell?

- No, but there are certain terms in the development agreement that are relevant to your on-sale. There will be covenants registered against the land for example. The buyers will need to know about these. For example, Design guidelines will need to be followed. The affordable housing criteria will need to be met and monitored (by Kāinga Ora) should a buyer be purchasing one of these homes.

Are the terms of the development agreement negotiable?

- The commercial terms are to be negotiated, and in relation to the balance of the document, we'll certainly listen to any concerns that you have about the workability of the agreement. The intention is that we have a robust universally-used agreement though, without bespoke amendments. Consistency is important, so that we can best manage the large number of housing agreements Kāinga Ora enters into.



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