

# Adding Value to Complex Subdivision and Development Projects

<b>1. ADDING VALUE TO COMPLEX SUBDIVISION AND DEVELOPMENT PROJECTS</b>	1
Introduction	1
<i>The purpose is adding value</i>	1
<i>Complex subdivision and development.</i>	1
<i>Scope of the seminar</i>	3
<i>The initial contact</i>	4
<b>2. DEVELOPMENT TEAM AND PROJECT MANAGEMENT</b>	5
The lawyer's role	5
Members of the team – who are they are? where do they fit in?	5
Surveyors	6
<i>What to watch for when receiving a survey plan</i>	6
The civil engineer	8
<i>Civil engineering contractor / head contractor</i>	8
Approximate costings	9
Recreational facilities/common areas	9
The raw site or land overview	9
<i>Preliminary earth works</i>	10
Second stage development	10
Final cap off and aesthetics	11
<b>3. TIMEFRAMES FOR PROJECT IMPLEMENTATION, AND PROJECT CONTRACTS</b>	13
Timeline (for subdivisions)	13
Timeline (for development)	14
Construction contracts – things to watch out for	14
<i>Contract variations</i>	14
<i>Progress payments</i>	15
<b>4. TAX EFFECTIVE STRUCTURES</b>	17
Overview of taxation issues	17
Preliminary information required	17
Income tax	18
<i>Builders' special timing test</i>	18
<i>Subdivisions within ten years</i>	19
<i>Associated persons</i>	19
<i>Income Tax Act 1994 – associated persons</i>	19
Associated persons under the Goods & Services Tax Act 1985	20
Summary	22
<b>5. EFFECTIVE DESIGN AND TITLE CHOICE</b>	23

The starting point and pre-conceptions	23
Unit titles	23
Body corporate rules	24
Farm park developments	25
<b>6. PROJECT AUTHORISATIONS UNDER THE RMA – ASSESSING THE STATUTORY AND DISTRICT PLAN REQUIREMENTS</b>	27
Activities and their classification	30
Case law - recent developments	31
<i>Activity scope and classification</i>	31
Case law summary on scope of activities	44
<b>7. THE PROJECT AND ITS DESIGN</b>	45
Initial assessment	45
Project effects on the environment – positive and adverse	46
Cumulative effects	49
Internalising effects	50
Reverse sensitivity effects	51
<b>8. CONTRACTING INTO THE PROJECT AND MANAGING RISK</b>	53
Contracting into project resources	53
Risk management	53
Pre-sales	53
Underwrite agreements	54
Points to watch out for in underwrite agreements	54
<b>9. GETTING WHAT YOU NEED UNDER THE RESOURCE MANAGEMENT ACT, BUILDING ACT AND LOCAL GOVERNMENT ACT</b>	57
Information and further information	58
Preferred resource management method	59
Review the present	59
Plan changes, zoning and land valuation	60
Plan change options, and proposed plan variation	60
Plan change and variation processes	62
Resource consent issues and procedures	63
<i>Application preparation</i>	63
Consultation	64
Public notification	65
After lodging – then what?	66
Consent conditions	67
Recreational activities	68
Other statutory requirements	68
Building Act 1991	68
Local Government Act 1974	69
Historic Places Act 1993	70
<b>10. CONVEYANCING ISSUES</b>	73

Survey issues in dealing with rear sections	73
<i>An unregistered deed of covenant:</i>	73
<i>Registered deed of covenant</i>	74
<i>Problems with the right-of-way solution</i>	74
Ownership variations	75
Legal conveyancing issues	75
Unique sale and purchase documents	75
Sunset clauses	75
<b>11. THE LIAISON BETWEEN THE DEVELOPER'S SOLICITOR AND THE PURCHASER'S SOLICITOR</b>	77
<b>APPENDIX 1 – JOINTLY OWNED MIDDLE ACCESS LOTS, COVENANT (FOR REGISTRATION IN A TRANSFER)</b>	79
<b>APPENDIX 2 – CONSTITUTION OF FARM PARK COMPANY</b>	81
<b>APPENDIX 3 - DEED OF COVENANT – JOINTLY OWNED SEWAGE LOT</b>	105
<b>APPENDIX 4 - COMPENSATION CERTIFICATE</b>	111
<b>APPENDIX 5 – REVERSE SENSITIVITY EFFECTS COVENANT</b>	113