



Mid-Rise Wood Construction October -December 2019 Quarterly Executive Summary

Summary of progress during this quarter

Project 1 Residential Reference Building

General

Preparation is underway to start work as soon as the stage 1 building consent (foundations) is issued. This will require preliminary earthworks prior to the laying of a concrete slab that will support the main structure once the Clearwater artificial lake has been temporarily lowered.

Main Contractor

Verbal agreement has been reached with Logic Group towards formal appointment as lead contractor. Early contractor involvement continues on the basis of their pending appointment.

Consents

Application for building consent for stage 1 was lodged in December. In tandem, discussions continue with the Christchurch City Council on the entire structure as the weight and loadings of the 5 story building impact on the footings and slab design.

Further interaction with the Christchurch City Council will be programmed once the stage 2 consent (main structure) has been lodged. The Council has issued several “requests for information” which have been answered by project engineers. This process is a necessary part of the introduction of mass timber structures to New Zealand, as Councils are required to familiarise themselves with the unique characteristics that timber offers. This includes lower weight loadings which in turn accommodate less costly foundation preparations. The final round of “RFI’s” has been answered and issuing of the foundation permit is considered imminent.

Consent for the main structure is expected late March 2020.

A variation to the existing resource consent to increase garaging has been granted by the council.

The Building Performance and Engineering Unit of MBIE is aware of the project with initial discussions having taken place.

Material Supply

Orders have been placed with XLAM Australia for engineered timber in the main structure. Delivery is programmed for April 2020.

Pre-Sales

These have been slow as buyers have been reluctant to commit to a mass timber mid-rise building before construction has begun. The apartments are listed with agents and featured on the project website www.quays.co.nz. More active marketing will become a priority once construction advances.

Project 2 Commercial Reference Building

This project remains in the planning stage. Red Stag Investments is working to find a developer that will be compatible with the aims and objectives of this Programme. It is anticipated the developer will co-fund the project to the extent of 60% and will assist with the location of a suitable site, which is likely to be in the Auckland region. The nature of the building will be influenced by the end use and this, in turn will be determined by the eventual occupier who has yet to be specified. Initial discussions have taken place with two major developers with the objective of making a decision by 30 June 2020.

Project 3 Communications and Promotion

Innovatek have been formally contracted to undertake communications, measurement survey and promotional activities that collectively make up Project 3. They are now establishing a promotional plan and timetable that will realise the aims and objectives of this project. This will include a web portal that may be hosted by the WPMA.

Key highlights and achievements

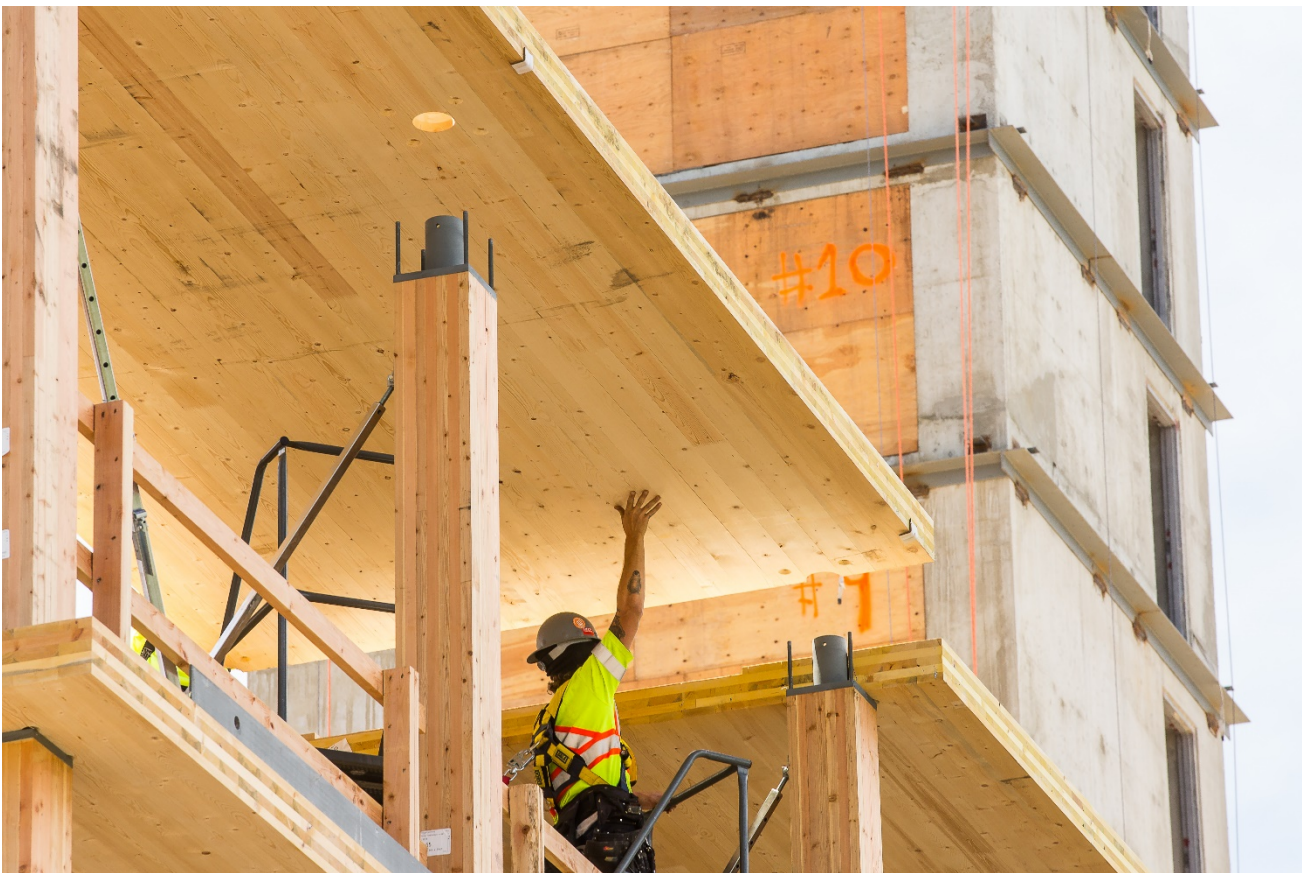
Progress toward outcomes is being made as quickly as the consenting process allows. In the meantime arrangements are being put in place for construction start-up, the communications and promotion project which includes the building up of a building professionals Collective of Excellence, as well as benefit measurement.

Upcoming

- Approval of the building consents will trigger a period of rapid activity including earthworks, foundations placement, followed by construction activity above ground level.
- The Market Survey to establish the baseline for measuring future attributable programme benefit impacts will commence early in 2020. This is now a priority for Innovatek.
- The Collective of Excellence will be brought together over the early months of 2020.
- Site visits will then commence to coincide with the key points in the project's construction.

Investment

Investment Period	Co-Investor Contribution	MPI Contribution	Total Investment
This quarter ending Dec 2019	\$352,534	\$235,023	\$587,557
Programme to date	\$648,893	\$432,595	\$1,081,489



***CLT Mass Timber Construction is factory-profiled for rapid assembly on site.
Proposed changes to New Zealand building law that recognise prefabrication as a means of
achieving quality and efficiency are exactly in line with the aims of Mass Timber construction.***