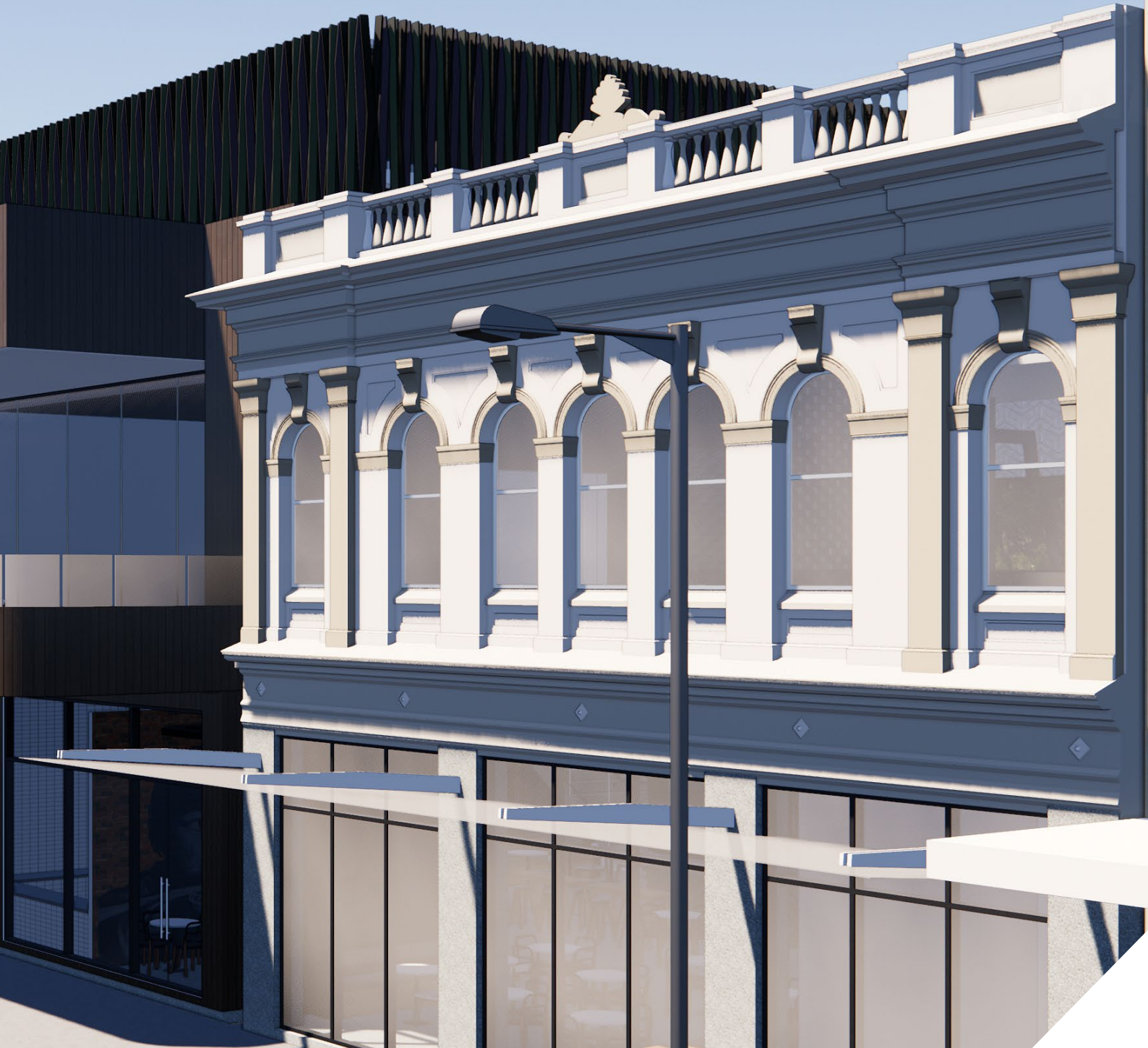


OUR CITY FOR TOMORROW



**INVERCARGILL INNER-CITY
REDEVELOPMENT**

hwcp.nz

HWCP
our city for tomorrow

▲ **DIRECT
INVESTMENT**
\$180M

▲ **GDP**
SOUTHLAND'S REAL GDP
INCREASE BY \$475M IN
2019-2035

▲ **GENERATES
JOBS**

CREATE 500-600 PER ANNUM
CONSTRUCTION JOBS 3 YEAR REBUILD
LABOUR SPEND \$80M

CREATES RETAIL & HOSPITALITY JOBS
300 PERMANENT FTE

▲ **CATALYST
INVESTMENT**

5 PERIPHERAL BLOCK
PROJECTS INVESTMENT
TOTAL \$118M

▲ TOURISM

INCREASE VISITOR SPEND 5% PER ANNUM; CONTRIBUTE TO REGIONAL TARGET \$1BN VISITOR SPEND BY 2025

CATALYST FOR FURTHER TOURISM INVESTMENT, INCLUDING 2ND NEW HOTEL \$40M FOR CENTRAL CITY

▲ SUPPORTS
DOWNSTREAM
INDUSTRIES
\$75.2M ANNUALLY

▲ ENHANCES LIVEABILITY

ANCHOR ROLE IN ACHIEVING SOUTHLAND'S BIG GOAL OF 10,000 MORE PEOPLE LIVING IN SOUTHLAND BY 2025

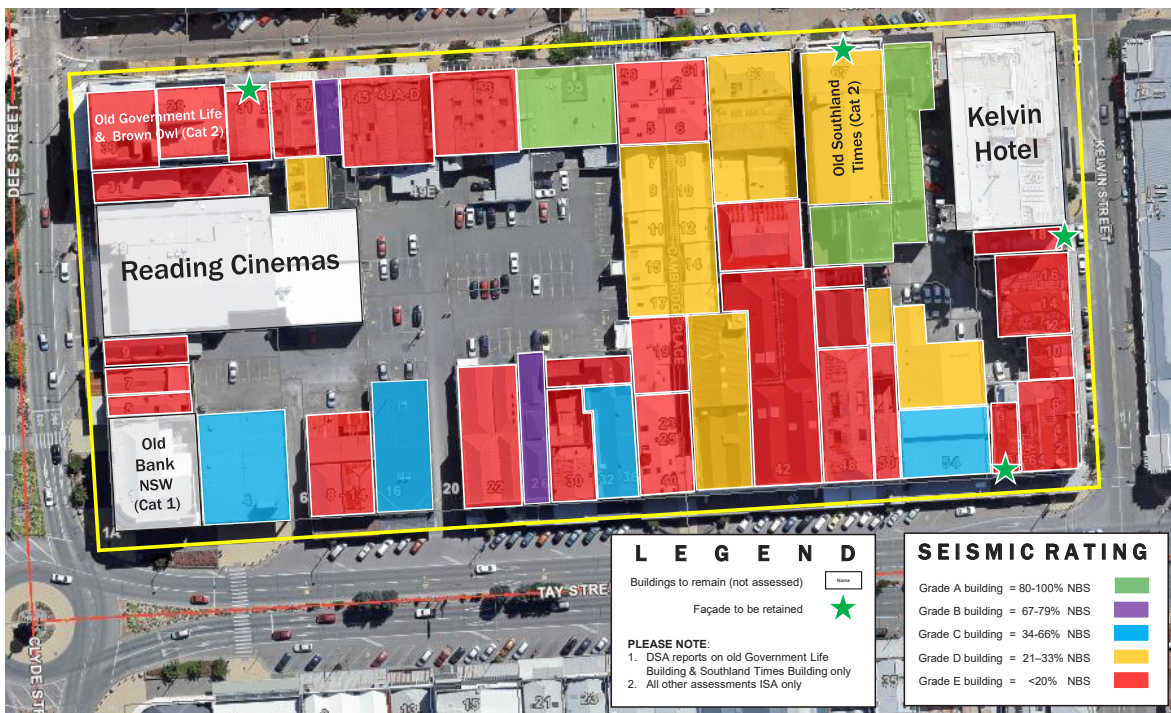
PLANNING FOR A PROSPEROUS TOMORROW

The buildings of Invercargill’s central city are falling apart and present a massive seismic and social risk. Initial seismic assessments of 20 building forms = 10 - 25% NBS capacity. Many of the buildings are reaching the point of becoming uninhabitable.



- ▲ Lack of reinvestment in CBD properties and an environment lacking contemporary amenities or destinations has led to people falling out of love with the city centre. This is reflected by reduced footfall and static sales growth
- ▲ The lack of heart and state of the inner-city is currently cited as a reason people don’t want to come to live in Invercargill or Southland
- ▲ Post 1950s on, there was a sprawl of the retail district to the point where there lacks a central focus adding to the decline and degradation of the city centre.

SEISMIC RATINGS SUMMARY



TRANSFORMING SOUTHLAND

The Southland community is being presented with a once in a lifetime chance to rebuild the centre of its own City. The redevelopment of the inner-city will be a major catalyst in improving the region's liveability, breathing life into the city and providing the commercial sector confidence in accelerating investment in Southland.

KEY CHALLENGES FOR SOUTHLAND

- ▲ Fluctuations in commodity prices and an economy that rests on them
- ▲ The potential loss of large export businesses from Southland
- ▲ The northerly shift of population and economic focus in New Zealand
- ▲ Population ageing together with 'recruitment' and retention challenges
- ▲ The sluggish growth of population
- ▲ The poor image of the region

The Southland Regional Development Strategy (SoRDS) set a goal of bringing 10,000 more people living in the region by 2025; we anticipate the inner-city redevelopment will provide a significant contribution to achieving this. A rebuilt city centre provides a solution to the key elements of both the Southland Regional Development Strategy (2016) and Invercargill City Centre - Retail Strategy (2017 – First Retail).

Residents feel a great connection to Invercargill but acknowledge that it's lost its heart. This project is designed to give Invercargill its heart back. Regional New Zealand is suffering, and we're determined not to let Invercargill become a casualty.

This public/private investment will rejuvenate Invercargill, skipping a generation to create a compact, contemporary, vibrant regional city.

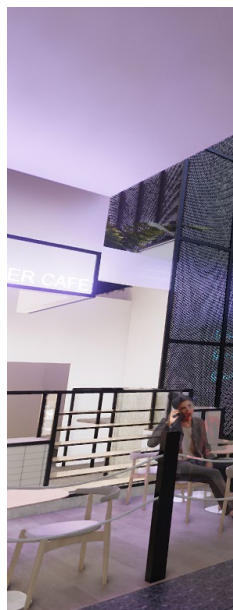
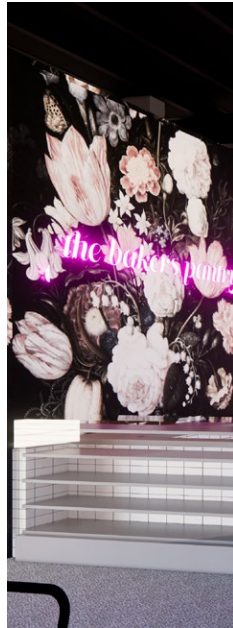
Without this development the inner city would continue its downward spiral as more and more buildings become unliveable.

Invercargill cannot deliver this vision on its own. Cohesion, scale, energy, ambition and leadership are the qualities that will assure a successful outcome.

MASTER PLAN

This \$180M redevelopment will touch all corners of the consumer experience. From gourmet eateries to plentiful parking, the block has something to offer everyone.

- ▲ Retail shops, ranging from a large anchor retailer to small boutique stores
- ▲ Three distinct food and beverage precincts combining a diverse range of cuisines and businesses for different occasions:
 - **Quick & Easy Food** – 13 distinct tenancies (Coffee, juice, premade food, <\$10 per serving)
 - **Little High Concept** – 9 distinct tenancies. Expect all to be “new” to Invercargill (\$10-25 per serving)
 - **Restaurant Lane (seated and served)** – 4 separate restaurants.
 - **Retail** – 42 separate spaces PLUS Anchor tenant, 50% new to town, 25% are present tenants short term relocating
- ▲ Covered laneways that connect the food and retail precincts to the offices and medical centre.
- ▲ An outdoor courtyard for working professionals and families, providing a space for people to enjoy lunch outside
- ▲ Childcare facility will be located within the retail development and easily accessible for those working in the inner-city
- ▲ A covered carpark for 850 cars. Split over five levels, the top level of the carpark will be covered with a roof and used for events such as farmers markets, conventions and events





DELIVERING OUTCOMES

INCREASE ECONOMIC OUTPUT

- ▲ \$180m direct investment
- ▲ Southland's real GDP would increase by \$475m in 2019-2035
- ▲ Create 500-600 per annum construction jobs over the 3 year rebuild with a projected labour spend \$80m
- ▲ Creates retail & hospitality jobs estimated to be 300 permanent FTE
- ▲ Increase visitor spend 5% per annum toward SoRDS Tourism target \$1bn visitor spend by 2025
- ▲ Supporting and downstream industries positively affected \$75.2m annually
- ▲ Catalyst for further \$118m central city investment, all contingent on this proceeding peripheral developments in the block

INCREASE PRODUCTIVITY AND GROWTH

- ▲ Catalyst to encourage further investment and business confidence in the region
- ▲ Improving liveability and local business ability to successfully recruit staff in the region (50% business say it's their number 1 challenge)
- ▲ Anchor project for the region in achieving SoRDS target of 10,000 more people living in Southland by 2025 which ensures the level of labour required to continue economic growth

SOCIAL AND COMMUNITY WELL BEING

- ▲ There is a strong correlation between a region's image, its economic strength and perceived liveability
- ▲ Engages people, activates the city socially giving people a public place and spaces to connect, and in doing so rejuvenates the inner city and creates social value, cohesion and resilience.
- ▲ A Ngai Tahu footprint is critical for our whole community to feel a sense of identity, ownership, pride and contribution to community.
- ▲ Builds pride in the region and help shift negative perception of the low quality of urban lifestyle and liveability in Invercargill and parents can see a future for their children
- ▲ The precinct will be sympathetic to Invercargill's past and adjacent heritage buildings.
- ▲ The project addresses and removes the massive seismic and health and safety risk and will create physical resilience for the central city of Invercargill.

ENABLING MĀORI TO REALISE ASPIRATIONS IN ALL ASPECTS OF THE ECONOMY

- ▲ Ngai Tahu in the Southland region, represented by the Southern four Papatipu Rūnanga have been engaged, have actively participated and contributed to the development of the Southland Regional Development Strategy and the development of the Action Plan.
- ▲ HWCP is presenting the opportunity for iwi investment/tenancy in the project, or more likely commercial investment in the peripheral block projects to better leverage the economic opportunities of settlement assets.
- ▲ Ngai Tahu Property assessed this development at an early stage and indicated from their perspective, is below the commercial threshold for investment
- ▲ Working with iwi to contribute to the Murihiku story by sharing their ideas on concepts for design, sharing Ngai Tahu heritage and culture to be of the new inner-city spaces.
- ▲ Iwi are also interested in exploring opportunities for procurement of Iwi/Maori enterprise (trades and industry sectors) to be involved in this development.
- ▲ Iwi are interested in exploring opportunities for tourism investment. The development provides a catalyst & platform to enable tourism growth and investment in Invercargill and the wider region

INCREASE LOCAL EMPLOYMENT AND WAGES

- ▲ Create 500-600 per annum construction jobs over the 3 year rebuild with a projected labour spend \$80m
- ▲ Direct catalyst for 4 further construction peripheral block projects that will provide construction jobs
- ▲ HWCP Procurement Strategy provides a commitment to that as much of the local resources that can be, are employed into the projects thereby assisting the local economy and the local employment and ensuring that this landmark “community” project is delivered as much as possible at a local level.
- ▲ Creates retail & hospitality jobs estimated to be 300 permanent FTE
- ▲ Iwi are interested in exploring opportunities for procurement of Iwi/Maori enterprise (trades and industry sectors) to be involved in this development.

INCREASE LOCAL EMPLOYMENT, EDUCATION AND/OR TRAINING OPPORTUNITIES FOR YOUTH

- ▲ Create 500-600 per annum construction jobs over the 3 year rebuild with a projected labour spend \$80m
- ▲ Creates retail & hospitality jobs estimated to be 300 permanent FTE
- ▲ Presents opportunity for trades training and development and particularly to encourage young people into the trades with such a large scale and visible construction project. HWCP is working closely with the Southern Institute of Technology
- ▲ HWCP Procurement Strategy provides a commitment to that as much of the local resources that can be, are employed into the projects thereby assisting the local economy and the local employment and ensuring that this landmark “community” project is delivered as much as possible at a local level.
- ▲ Iwi are interested in exploring opportunities for procurement of Iwi/Maori enterprise (trades and industry sectors) to be involved in this development.

SOUTHLAND REGIONAL DEVELOPMENT STRATEGY



CHALLENGE

Despite strong economic growth in Southland since 2007, the shrinking population is the number one concern in the region. This, coupled with the impacts of an ageing population means that by 2025 the region's population is forecast to drop to 1.8% from the current 2.3% of New Zealand's population.



SOUTHLAND'S BIG GOAL

10,000 more people living in Southland by 2025.



STRATEGY

The region needs people, interaction and activity to drive economic growth so we can sustain a high-quality of social and economic life.



INVERCARGILL REJUVENATION

The inner-city of Invercargill does not provide sufficient modern essentials of urban lifestyle to attract and retain skilled and talented people to live in Southland in the numbers required for the success of SoRDS and the region. The lack of heart and state of the inner-city is currently cited as a reason people don't want to come to or stay in Invercargill or Southland.

PROJECT REGIONAL PRIORITY

NUMBER ONE PRIORITY FOR SORDS

NGAI TAHU

In the Southland region, represented by the Southern four Papatipu Rūnanga, have been engaged and have actively participated and contributed to the development of SoRDS and support inner-city redevelopment PGF application.

BUSINESS AND COMMUNITY SUPPORT

- ▲ Southland Mayoral Forum
- ▲ Invercargill City Council (ICC)
- ▲ Southland Regional Development Strategy (SoRDS)
- ▲ Southland Chamber of Commerce
- ▲ Invercargill Licensing Trust
- ▲ Community Trust South
- ▲ Southern Institute of Technology
- ▲ Air New Zealand

STRONG RESIDENT SUPPORT

- ▲ 86% residents STRONGLY SUPPORT the redevelopment (SIT survey)





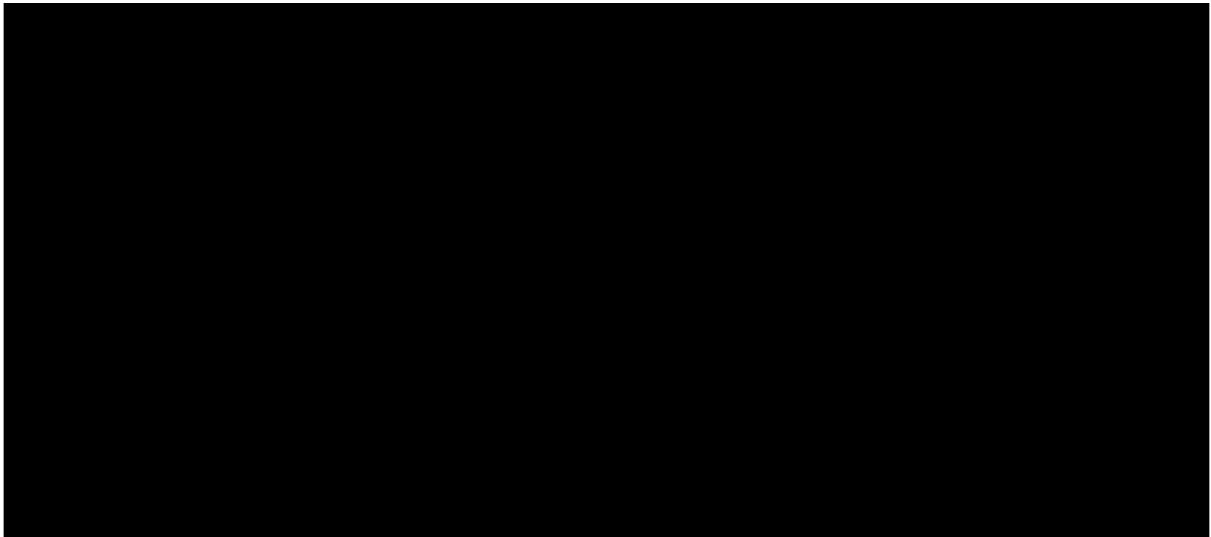
PUBLIC PRIVATE PARTNERSHIP

HWCP Management Limited was formed as a joint venture between HWR Property Limited and the Invercargill City Property Limited (Council owned) with a goal of addressing this redevelopment of the inner city and embarking on a series of investments to achieve the company's aspirational goals for Invercargill and Southland including aligning with SoRDS strategies.

HWCP Management Limited has achieved its goal of consolidating landholding within the inner city

to facilitate its redevelopment. A new legal entity will be formed. Legal advice is being sought to ensure the most appropriate vehicle for private/public investment that meets the requirements of all shareholders.

The new entity will own and operate the asset. HWCP Management Limited assets will be transferred to the new entity.



KEY DATES

THE PROJECT WILL CONSIST OF SEVERAL DISTINCT STAGES.

2019

DESIGN

December 2019

HERITAGE

December 2019

ASBESTOS REMOVAL

September 2019

2020

DEMOLITION

February 2020

2021

CONSTRUCTION ANCHOR

December 2021

2022

CONSTRUCTION

December 2022







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