

## REPORT PART C2. ....EITHER AS A SINGLE ENTITY OR AS SEPARATE UNITS

### C2.1. Executive Summary

Selling as a single entity poses considerable challenges; therefore, this section examines an Ownership Restructure involving the cancellation of the Unit Plan and subsequent subdivision of the resultant land. The discussion also considers alternative ownership and management structures, contingent upon the ultimate configuration selected.

The analysis predominantly references Property Research Paper 5, "THE RIDGE. A RESTRUCTURE AND EXIT PLAN?", previously prepared by the Ridge Resort Queenstown Owners Support Group. This paper can be accessed **HERE**.

While Paper 5 addressed key issues, explored options, and proposed a pathway forward, this section supplements its findings by including various illustrative subdivision layouts. These examples are not intended as definitive or exclusive solutions but rather to demonstrate the breadth of possibilities and highlight the relationship between ownership models and management practices.

Any restructure process should include a thorough reassessment of ownership arrangements and asset management strategies corresponding to the chosen approach.

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### C2.2. Recommendation

The following has been adopted by the Sub Committee as Recommendation No 2 of this Report:

**“ That a Sub Committee be appointed by the Body Corporate Committee to undertake a Further Investigation into an “Ownership Restructure” for the Ridge.”**

Paper 5 presents a recommended process and delineates the detailed actions necessary to further evaluate the potential for restructuring. That recommended work aims to develop a comprehensive proposal that can be formally submitted to the Owners for consideration in the coming year.

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### C2.3. Motivations /Goals

Put simply the motivation is to enable the various ownership groups “to do their own thing” as follows ( also see Sec C3.4)

1. For Non-Timeshare ( Private) Owners to continue their individual ownership and for them to manage the “Private Unit Complex” as they determine.

2. For Timeshare Owners to be able to exit ownership of the Ridge at a fair price as and when they wish to.
  3. For Timeshare Owners who wish to continue using the Ridge to do so until such time as they wish to sell, when goal two takes over.
  4. For Future Development Unit Owners to at least maintain their ownership and development rights.
  5. For Timeshare owners to have the option to replace their Body Corporate with a Company Structure if they wish. We have decided not to elaborate further on this subject to maintain the focus of this report. However, it should be noted that while a Company Structure provides benefits for Timeshare, it is unsuitable for non-timeshare properties since they require individual titles for mortgage purposes.
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## **C2.4 How ?**

In essence, this involves creating a realistic **Restructure Plan** that accommodates most stakeholders. The **Restructure Plan** would entail cancelling the Unit Plan, subdividing the land based on agreed outcomes, and setting up new ownership, management, and operational frameworks.

For the **Restructure Plan** to succeed, it should:

- Provide benefits to all Ownership Groups
  - Address various legal processes
  - Be economically viable
  - Be practical
  - Ensure fairness and equity among all Ownership Groups
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## **C2.5. The Subdivision Process ( Simple Version)**

### **1. Agree the Broad Concept .**

Owners confirm a broad Concept and / or parameters . Consultation and discussion are key.

### **2. Engage professionals**

#### **Consultants**

- A **Surveyor** as the primary Consultant
- Probably a **Planner, and Lawyer**
- In this situation a **Valuer**
- Potentially an **Engineer**

They will guide the process and prepare the technical documents.

### **3. Apply for Resource Consent**

This is the key approval under the Resource Management Act 1991.

Council assesses:

- Compliance with District Plan ( Most Important)
- Environmental effects
- Infrastructure (water, sewer, stormwater, power, telephone, access)
- Neighbour impacts ( Not Likely )

Outcome: **Resource Consent Granted** . Note: Can also be declined if steps 1 and 2 not done properly . Any Consent Issued will be subject to conditions.

### **4. Meet the consent conditions**

This is where the physical work happens. Conditions could require:

- Modifying services (water, sewer, power)
- Upgrading vehicle access
- Paying development contributions ( Not likely here)
- Easements (for shared services and/ or access . Likely here)

### **5. Survey plan (Land Transfer Plan / LT Plan)**

The surveyor:

- Marks boundaries on the ground ( pegs)
- Prepares the legal subdivision plan

This gets lodged with Land Information New Zealand for approval as to Survey.

### **6. Apply for Section 223 approval**

Council checks that the survey plan matches the consent.

This is a “plan approval” step under the RMA.

### **7. Complete conditions + Section 224(c)**

Once all conditions are met:

- Council signs off **Section 224(c)** certificate

This confirms everything required has been done.

## 8. Get new titles issued

The lawyer:

- Lodges documents with LINZ
- New **Record of Titles** are created

## 9. Typical timeframe

- Guestimate 6-18 months, largely dependent on complexity.
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### C2.6. How might a Subdivision Plan look?

Key drivers should include a balanced assessment of desired outcomes for Owners, equality and fairness, economics, Council District Plan provisions, and practicality based on physical elements.

The next section offers four options ranging from the simplest type to the most complex. The intention in providing these is to show options and it will become evident that there are many permutations that will be refined following discussion/consultation with user groups to generate a preferred option. The preferred option would then be reviewed by external professionals.

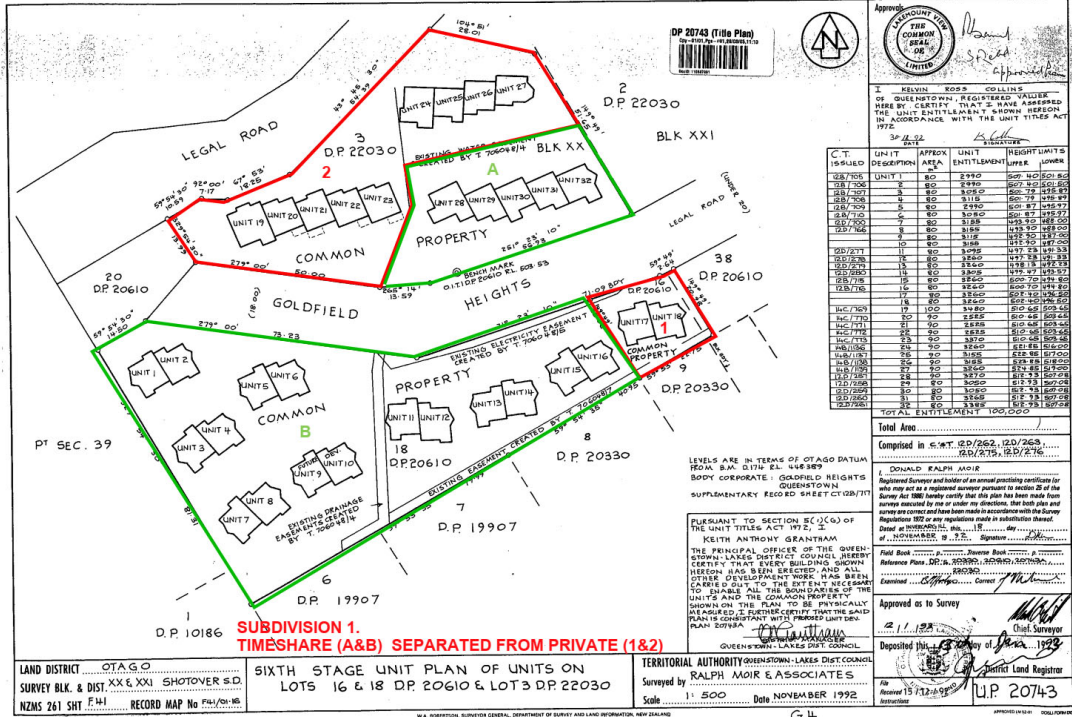
All boundaries are illustrative only and not based on detailed assessments.

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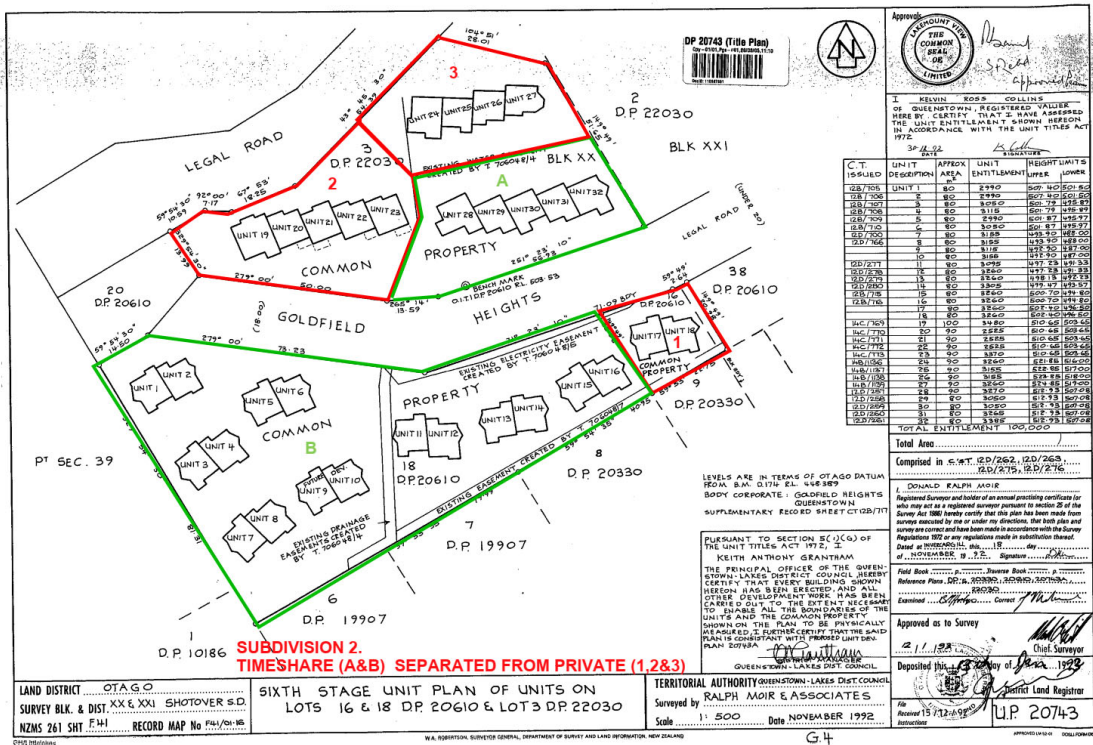
### C2.7. Concept Options

1. **Subdivision Type 1** (see plan on next page) divides Non-Timeshare Chalets and Timeshare Chalets into two groups: Lots 1 and 2 create one title (marked in red), while Lots A and B form another (marked in green). Each title (red and green) receives its own Unit Plan, and each will have a separate Body Corporate. As FDU 9 and 10 are embedded within Lot B they would remain with the Body Corporate for Lots A and B.

If a Company Structure were to be used instead of a Body Corporate for the previous Timeshare Lots, A and B could be given individual Titles held by the Company. In that case, FDU owners would also become Shareholders of the Company.

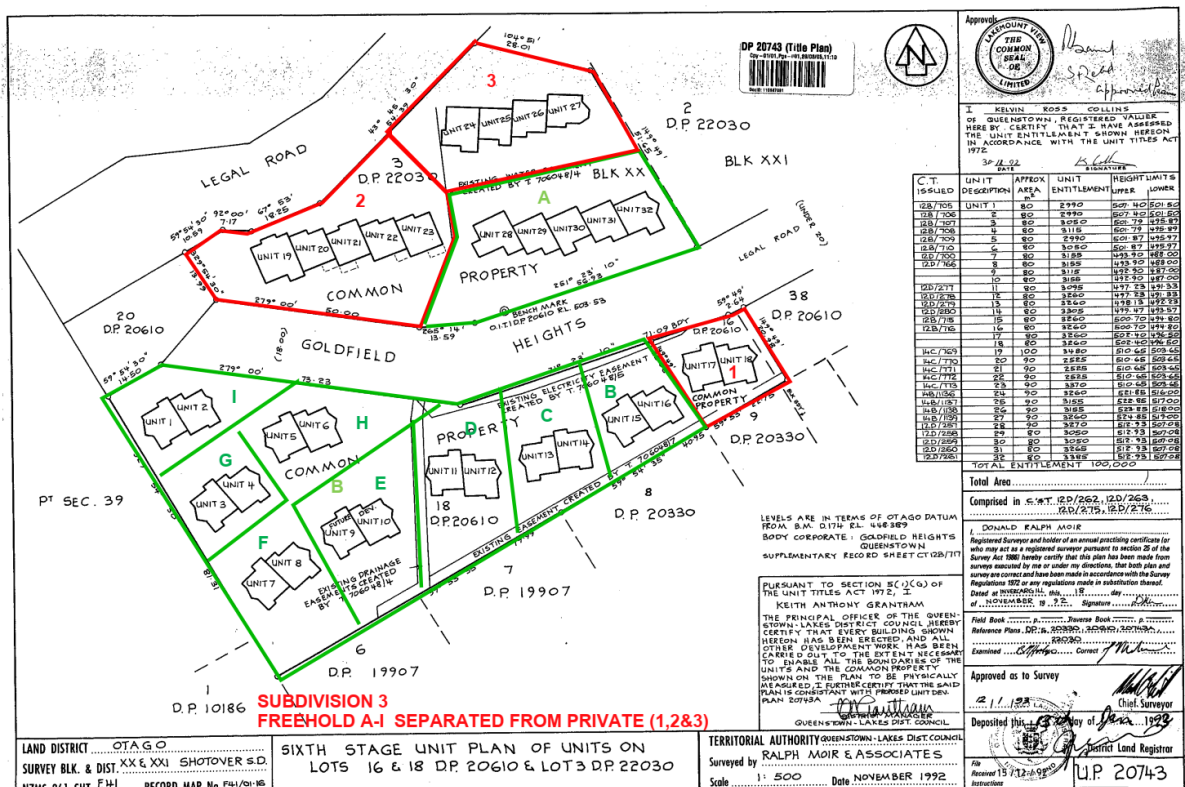


2. **Subdivision Type 2** expands the options for both Non-Timeshare and Timeshare Owners. The plan shows separate possibilities that need not all occur. Non-Timeshare is divided into three lots (1, 2, and 3 (red)), each with a separate title and unit plan, potentially creating three new Bodies Corporate. Timeshare Units (Lots A and B (green)) can be held by a Company separately or combined or have a unit plan or plans overlain, resulting in one or two Bodies Corporate. FDU same scenario as in Subdivision 1.



### 3. Subdivision Type 3 .

The same scenario for the Non Timeshare Owners as in Subdivision 2. Non Timeshare Units are subdivided to create nine individual titles around each of the distinct buildings and the FDU. In this scenario all Lots A-D and F-I would go into the Ownership of a Company. A Unit Plan over any of these Lots would not make economic sense. Lot E would go to the FDU Owner. This option would provide the Company the ability to sell off Lots as and when sufficient Timeshare Owners wished to exit.



### 4. Subdivision Type 4. The Ultimate Option (Note: No plan included ) .

All units except 28-32 (Lot A) are subdivided into individual Freehold Titles, dependent Council approval of the common dividing walls under current fire regulations plus the small lot sizes. This subdivision will require a more complex Resource Consent Application.

Non-timeshare owners would hold individual freehold titles with no need for a Body Corporate. Former timeshare unit lots would be transferred to a new Company, providing flexibility to sell single units rather than duplexes. Lot A would be kept until last. No Body Corporate. Lot E (FDU units 9 and 10) remains with its current owner.

End Part C2