# Support information for BRD developer applicants: Questions and Answers

**What is the Build Ready Development pathway?**

The Build Ready Development pathway provides developers who own land that is ready for development two options for Government support. The pathway can either:

* refer requests to sell ‘build-ready’ land to a suitable Government land acquisition programme or
* assess applications for the Government to prepurchase or underwrite homes, which provides support to unlock third party finance (from a bank or other financial institution) to keep going with the development.

**Is this a new pathway?**

This is the second round of Build Ready Development funding. The first funding round, launched in August 2022 with $65 million available for underwrite and prepurchase commitments, is now closed, and the funding fully allocated.

**I have already registered my interest under the first round. Do I need to reapply?**

Yes. If you provided a registration of interest for round one, please read the fund criteria and prioritisation information for this round carefully as it is different to round one. You will need to complete the new application form, with updated information, if you would like to be considered for this funding round.

**How do I apply?**

All applicants must complete the online application form with detailed answers and upload all relevant supporting documents. There are two templates in the table below that must be completed, along with an example provided for one of the questions. Please ensure you answer all questions with full and detailed information. We won’t be able to assess your application without the requested information.

**What details and evidence do I need to provide for requests to sell land?**

Applicants are required to confirm and provide the following information:

|  |  |
| --- | --- |
| Criteria | Evidence, explanation or templates to be used |
| Site description | Provide an overview of the site description.  This overview needs to include the following components:   * Site address * Legal description of land (Lot DP) * What is the size of the land holding (i.e., the total land area)? (Minimum size is either 1000 square metres or capacity for 60 homes on the site) * What is the zoning of the land? * Is it Māori land or general title? * What is your local District or Regional Council? |
| Land ownership | Land Title document |
| Reasons for selling the land | Full description |
| Development potential of the land | Size of the land, housing yield, any development plans, information on any known barriers to development on the land, any connection with Māori/iwi to the land or development opportunity |
| Crown funding | Details on any enablement, infrastructure funding or any current discussions with any Government agency |
| Other documentation you may include to support your application | This could be land valuations, Geotech reports, existing site development plans. |

**What details and evidence do I need to provide for requests for prepurchase or underwrite?**

Applicants are required to confirm and provide the following information:

|  |  |
| --- | --- |
| Criteria | Evidence, explanation or templates to be used |
| Resource consent | **Note: If your development does not have resource consent, it is not eligible for assessment for a pre-purchase / underwrite commitment** |
| Land ownership | Certificate of title  If you don’t own the land you must provide an explanation and evidence:   * that you will acquire the land (a signed contract) or * that you have the right to develop the land |
| Dwelling schedule | You must use the dwelling schedule template to describe the unit names, sizes and market value. If you can’t complete this form, your application may not be considered ‘build ready’.    [The dwelling schedule template is available on the HUD website.](https://www.hud.govt.nz/our-work/build-ready-development-pathway/) |
| Overview of developer experience | Provide an overview of your experience delivering (developing and managing) developments in Aotearoa New Zealand in the past five years and [complete the template provided on the HUD website.](https://www.hud.govt.nz/our-work/build-ready-development-pathway/) |
| Development programme showing timeline/schedule for end-to-end project delivery | Provide a proposed development programme schedule. This schedule needs to be detailed and include at least the following components:   1. Detailed design complete and approved 2. Building consent lodged/obtained 3. External borrowing confirmed 4. Civils/earthworks contractor appointed 5. House constructor appointed 6. Shovel ready (expected civil/infrastructure physical works commence) 7. Build ready (expected vertical build physical works commencement) 8. Build complete (expected practical completion date of each house) 9. Expected Code Compliance Certificate received. |
| Site development plans and scheme plan | Provide site plans or detailed design documents |
| Feasibility study | Provide your financial feasibility, in Microsoft Excel, for the whole development – including land costs, construction costs, borrowing costs, legal, sales/marketing, etc. This must be detailed (with breakdowns or comments on how figures have been derived). The feasibility must also clearly indicate cost per square metre and cost per home.  [We have provided an example template on the HUD website](https://www.hud.govt.nz/our-work/build-ready-development-pathway/), or you may use your own spreadsheet.  ‘Open book’ transparency is expected. |
| Third-party finance requirements and terms | Describe the requirements and terms from third-party finance institutions and evidence of this (email correspondence, letter of offer, finance terms and conditions, indicative term sheet) from third-party finance institutions. |
| Other documentation you may include to support your application | * Certificate of incorporation * Company structure documentation * Outline plans and specifications to include product specification document (such as the list of appliances, plumbing and fixtures detail, flooring etc specified for the homes) / **If not available at time of application, this will be needed to progress to commercial negotiation.** * Master Plan * Construction contract * Market valuation * Flooding/natural hazards/Geotech reports * Quantity surveyor’s report or development cost estimate prepared by a construction partner * Letters of support from creditors, evidenced lines of credit with banks * Certificates from insurers regarding public liability/statutory liability insurance * Sales and marketing plan and efforts to date to sell |

**How will applications be processed?**

Once an application is confirmed as eligible, it will be triaged using a scoring system against the priorities of the fund and the ‘build-readiness’ of your application. The scores will be used to allocate applications into assessment waves, to ensure that applications that most closely align with Government priorities are assessed first.

**When will I know the status of my application?**

As soon as possible after your application has been considered and triaged, you will be advised of one of the following:

1. your application is eligible and you have provided all the relevant information, evidence and documentation. We will let you know, based on the prioritisation process, when your application is likely to progress to assessment; or
2. based on a prioritisation process and the volume of other applications that more closely align with the priorities of the fund, your application will not progress at this stage; or
3. your application has been referred to another programme or agency.

Please note that timing of notification will depend on volume of applications received.  We will notify you as soon as possible.

**What happens during assessment?**

If you are advised that your application will progress to assessment, a team of assessors will review your information and will likely contact you for clarification and further questions.

**What happens during commercial negotiation?**

If your application passes assessment, the next stage is discussion and negotiation on the prepurchase or underwrite terms. Our Commercial Manager will discuss with you the potential terms of Government support. This could involve:

* proposed prepurchase price, terms and conditions and/or
* proposed terms and conditions of an underwrite such as the:
* number of homes to be underwritten with a KiwiBuild underwrite and offered to eligible KiwiBuild buyers
* number of homes to be underwritten with a BRD open market underwrite
* ‘option price’ i.e., discount to market price should the underwrite be triggered

**Who makes funding decisions?**

The Minister of Finance and Minister for Housing approve funding. Any details from the commercial negotiation are subject to Ministerial approval.

**How long are applications open for?**

Applications are open from Monday 29 May to Friday 16 June. At precisely 4pm on Friday 16 June, the application portal will close. No partial applications can be accepted – only fully completed applications submitted by this deadline will be accepted. The website will be updated to allow registrations of interest only from this point.

**My development is in Auckland, is it eligible given the recent flooding?**

Applications from regional New Zealand will be prioritised in this funding round.

**How does the KiwiBuild aspect work in the programme?**

The Build Ready Development pathway can underwrite KiwiBuild homes as part of a development. This means that some of your homes may need to be sold under KiwiBuild parameters (at a fixed price at or under the KiwiBuild price cap; listed on the KiwiBuild register; and sold, or offered in the first instance, to an eligible KiwiBuild buyer). Some of the other homes in your development may be supported by the BRD open market underwrite, where we expect you to target the first home buyer/second chance market in general.

**I am talking to Kāinga Ora about my development – can I apply to this pathway?**

Only one Government agency will assess your development for Government support. Please indicate on your application form the details of your discussions with Kāinga Ora, including which programme. Following internal discussion, we will get in touch with you to let you know the next steps to progress your application.

**Can I choose the prepurchase over the underwrite commitment?**

No, we use the information provided in your application and information on unmet need in the regional location to determine the type of support we would consider for your development.

**What is affordable?**

The Build Ready Development pathway is part of the [Affordable Housing Fund](https://www.hud.govt.nz/our-work/affordable-housing-fund/). We use the relevant KiwiBuild price caps as a guide. However, we also take into consideration the specific development economics of each development.

**Will every ‘eligible’ application receive funding?**

No, this is a targeted programme that will not be able to support every development, depending on volume of applications received.

**I have submitted an application for resource consent but haven’t received it – can I apply?**

Your application will not be eligible, and you will not be able to complete the online application form, without providing the date resource consent was gained. Please email us at [BRD@HUD.govt.nz](mailto:BRD@HUD.govt.nz) if you have lodged resource consent and would like to tell us about your development. However, please read all the other information needed for applications to be considered as we require detailed development and financial information to progress.

**Get in touch if you have a question that isn’t covered here**

You can email us at [BRD@HUD.govt.nz](mailto:BRD@HUD.govt.nz)