

SUMMER 2008

Small Print

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FRACTIONAL OWNERSHIP OF DREAM HOLIDAY HOMES

WWW.OWNITNOW.CO.NZ

Nick Yates had always wanted to own his own bach but a couple of things stopped him. There was the financial consideration of spending so much money on a home that, at best, he and his family would use for six weeks of the year. Secondly was the loathsome idea of having to kick off a hard-earned holiday by hauling out the lawnmower and doing maintenance at the bach that he had artfully avoided at home. Hence, Nick devised the fabulous concept of fractional ownership of baches (which came to him one evening after work, wine glass in hand in defiance of mowing the lawn).

If a group of people buy a bach, the capital layout is split between the co-owners, allowing for a bigger, flasher bach with money in the kitty to cover the cost of having it professionally maintained. Better still, part ownership of several baches affords winter mountain and summer beach holidays with somewhere else to golf, literally giving the holiday-maker or investor the best of all worlds!

While fractional ownership is not a new concept, Nick's application of it to the Kiwi bach is. Having worked in tourism for ten years and the property industry for longer, he has an innate understanding of what it is that people, like himself, want from a bach in terms of lifestyle and investment. It is this knowledge, and the advantage of all the business

relationships that he has developed over the years, that have allowed Nick to launch 'ownitnow'.

Unlike a time share, fractional ownership gives you a share in the title of the property. This means that you get the benefit of steady property value growth and, in some cases, gearing to provide an income stream that offsets ownership costs. Nick examines the value of schemes like KiwiSaver and other traditional forms of investment for retirement. He considers his product a better alternative because you get to enjoy the asset now and reap the reward of wise investment later. Extensive commercial property experience, working with St Lukes Group, Westfield and IMAX, taught Nick about the complexities of satisfying tenants' requirements. In recognition of this human quality he has developed software that allows bach co-owners to book and swap times anonymously, removing the fuss and bother of having to negotiate directly with each other.

Mangatawhiri Road, Omaha - 12 weeks use pa for \$205,000 (1/4 share)



Patiki Place, Omaha - 10 weeks use pa for \$350,000 indicative only (1/5 share)



www.ownitnow.co.nz



Quest Matakana Resort - \$165,000 + GST (1/5 share)

Nick has worked with Knight Coldicutt for the past three years. He could have chosen any law firm, but he likes Knight Coldicutt's ability to think laterally.

"Their approach of being business partners with legal expertise has been comforting" said Nick, particularly when launching a product that he is so close to.

I felt an immediate affinity with Nick when he described himself as a **Leisure Asset Professional**, which pretty much sums me up (although the acronym may be risqué as I have a fondness for dancing... but I digress). Nick has property shares available in two Omaha properties, both designed by award winning architects - Mangatawhiri Road, designed by Richard Priest and Patiki Place, designed by Pattersons. My personal favourite is the riverside villa in Matakana with its own vineyard, olive grove, boat ramp and jetty, tennis court and heated swimming pool. As part of the Quest Matakana Resort, the income stream can offset possible borrowings... and it is less than one hour's drive north of Auckland. All for \$165,000 for a one-fifth share. Now that sounds like me!

Jacqueline Klisser

FINEST FOOD IN THE SKY

Richard Pryor is the CEO of Private Flight Global Limited, a recently launched venture which sources and appoints five-star caterers in Europe, the Middle East and other locations around the world for VIP private aircraft owners and operators. He understands that, for VIPs, food on aircraft means so much more than just sustenance. It is second only to timeliness.

Richard gained this insight while working for one of the world's best known investors, His Royal Highness Prince Alwaleed Bin Talal Bin Abdulaziz Al Saud.

Richard was responsible for sourcing providers of the finest cuisine for the discerning palate of the Prince, other members of the Saudi Arabian royal family and various VIPs regardless of where or when they traveled on the Prince's private supersized Airbus and Boeing aircraft (you know, wide-body planes with private cabins containing double beds, bathrooms and separate lounges). Exquisite banquets were served and consumed at 35,000ft that the Prince's Four Seasons, Movenpick or Fairmont Hotels would be proud of.

Richard recorded passengers' profiles including dietary restrictions and food preferences. He networked with the best chefs in fifty different countries and inspired them to create the finest menus reliably, at short notice, around unconventional timeframes and be finished off by people whose primary professional

knowledge had more to do with air safety than haute cuisine; all this while observing the idiosyncrasies of VIP needs and often pedantic rules of aviation safety. Over the three years that Richard worked for the Saudi Arabian royal family he encountered many private jet owners (70% of the 26,000 privately owned jets are in the USA) who envied the food and service that he was fortunate enough to provide.

Hence, Richard was well positioned to start up his own company.

Private Flight Global Limited (PFGL) was created some six months ago and is now getting its first orders – see www.private-flight.com

Richard came to Knight Coldicutt through a recommendation by ASB Bank to speak to Mike Alexander, the firm's Commercial Partner. Mike assisted in aspects of structuring the new venture. "Mike has energy, tells it like it is and is really efficient", says Richard, adding that "sometimes I can just have a five second phone call with him to clarify a point. I like his availability and he has done a good job for us."

The VIP is the end user of PFGL's product, but flight attendants are the company's clients and Richard has great empathy for their demanding and often lonely roles. PFGL is designed to be their biggest support system, providing 24-hour online ordering and client management tools that can track likes, dislikes, dietary restrictions and manage budgets to enable attendants to cater for their employers' needs anywhere, any time. This, claims Richard, is a world first for online ordering systems in this market. A significant part of

PRIVATE FLIGHT

the investment in the new venture has been in the creation of this super sophisticated database with Datacom.

The system is spectacularly easy to use and, apart from offering five-star foods for every conceivable in-flight occasion, any onboard requests - from flowers to ice sculptures - can be organised at the click of a button. Of course, there is a price to pay, which is gracefully displayed on the frame in three different currencies when ordering. Currency conversions are regularly updated by Exignite and there can be no confusion over the price (which can

make an All Black after-match function in a certain London hotel look distinctly modest). The system also has helpful hints for flight attendants, which PFGL will be expanding upon over time.

Knight Coldicutt wishes Richard well in his new venture!

Jacqueline Klisser



New Zealand Property Group SOCIAL

The New Zealand Property Group (NZPG) annual dinner was the third function to be held at iconic

The Wharf (previously Fisherman's Wharf) since it re-opened as a premier function venue on 17 November 2007. It was touch and go, with the venue being enveloped in a giant unattractive blue tarpaulin until the eleventh hour. But a miracle happened. The Pearl room was transformed and The Wharf rolled out a smooth and well-organised 'fork and walk' dinner on the largest handmade rug in the country and under stunning Italian chandeliers.

Guest speaker, Hon. Shane Jones, Minister for Building and Construction, delivered an entertaining and informative speech. He recognised the building and construction industry's contribution to the country's GDP at around 5%, with a major portion being in the room that evening. Issues of interest included the



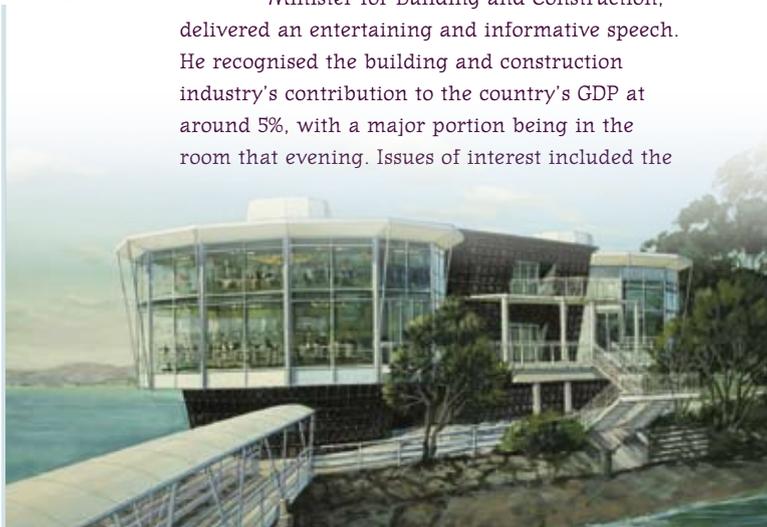
Hon. Shane Jones

government's review of the Unit Titles Act. Changes have been approved by Cabinet and it is anticipated introducing an amendment Bill into Parliament early in 2008. Changes include BCs owning common property; easier management of large, staged or complex until title developments; streamlining of survey and title processes for surveyors and developers making the staged development process more flexible; promoting BC participation in joint decision-making and the removal of requirements for unanimous resolution; and the introduction of mandatory long-term maintenance plans for BCs.

The Minister spoke about regulatory review, acknowledging that regulation is a bugbear of the property development sector. Developers need a regulatory environment that works for them and the Minister's answer (being a protagonist of minimising regulation) is to adopt 'smart' regulation that supports business by fostering innovation and sustained economic growth while providing the necessary safeguards to protect consumers and maintain standards. Guests were assured that many improvements for the regulatory framework are on the way.

The Minister concluded by stressing that he encourages industry feedback and is keen to ensure that Government representatives are communicating with industry, an example of which is a meeting in early December between the House Prices Unit and NZPG members.

Should NZPG members wish to receive the Minister's notes on Review of the Unit Titles Act 1972, or if you are interested in joining the NZPG please email kim@kclaw.co.nz





KNIGHT WATCH

KNIGHT COLDICUTT CLIENT LYNN TILTON MAKES A FLYING VISIT TO NZ

Lynn Tilton, CEO of MD Helicopters, flew in to New Zealand for a 6-day visit in November 2007. After media commitments, Knight Coldcutt had the pleasure of escorting Lynn and Elizabeth Schurig, Partner of Giordani Schurig Beckett Tackett LLP, Attorneys in Austin Texas, on a whistlestop tour of New Zealand – mainly by helicopter, naturally.

MD is planning to make inroads into the Eurocopter helicopter market in 2008.



Lynn Tilton and Elizabeth Schurig during their whistlestop tour of NZ

CLASSIFIEDS

WHITE HERON POINT, ST STEPHENS AVENUE, PARNELL - Located at one of Auckland's most prominent addresses, the White Heron Point development, consisting of 19 high-end luxury apartments, is now under construction. Completion due October 2008. Views range from uninterrupted water to spectacular cityscape.

Prices from \$1.75m to \$4.15m. Contact Travis Coffey, travis@equinoxgroup.co.nz

NO.1 QUEEN - Waterfront office accommodation available. Variety of options - 300, 600 and 1,000 sq.m. tenancies. North facing. A-grade. Contact Lohsing Cheng on 021 965 965

TO LET PRIME OFFICE SPACE SHED 20, PRINCE'S WHARF

Approx 50 sq.m. Shared use of facilities available. Would suit short-term tenant. Currently configured as 4 offices and 2 secretarial stations but existing fitout can be removed. If you are interested, or you know of someone who may be interested, contact Ewen Dawe on 09-306 1118, ewen@kclaw.co.nz



ATTENTION LANDLORDS

Knight Coldcutt Deed of Lease

The Knight Coldcutt Deed of Lease has been in use for around 3 years. Version 4 with refinements is now available. Key provisions include:

- full ratchet clause for rent reviews
- right to establish a sinking fund for building maintenance
- landlord shall initiate a rent review by not earlier than 3 months prior to a rent review date
- increased tenant maintenance obligations including provision for redecoration dates during the course of the tenancy.
- full identification of landlord's chattels and description of premises for reinstatement purposes
- right by the landlord to lock out the tenant in the event of default under the lease
- express confirmation that the guarantees provided under any initial term shall continue during any renewed term.

Contact David Compton, tel. 09 306 1125 david@kclaw.co.nz for a copy of the lease.

COMPLIMENTS OF THE SEASON & HAPPY HOLIDAYS: Our offices will close on Friday, 21 December 2007, and re-open on Monday, 7 January 2008.

This newsletter is sent to all clients on our mailing list. If we have your name or address incorrect, we would appreciate advice from you, so that we can update our records.