



**PROPERTY VENTURES**  
*Creating Great Communities*

05 May 2005

Christchurch City Council  
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**HAND DELIVERED**

Dear Sir or Madam

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**Submission on the Christchurch City Council Draft Development Contributions Policy**

We have detailed below our submission in relation to the proposed Development Contributions Policy which was recently publicly notified as part of the Christchurch City Council's Long Term Community Plan for the period beginning 1 July 2006.

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1. Property Ventures Limited (through its various wholly-owned subsidiary companies) is one of the largest private sector property owners in the Central City with property in; Cathedral Square, Armagh Street, Gloucester Street, Cashel Street, Lichfield Street, Tuam Street, St. Asaph Street, Welles St and Dundas St.
2. Property Ventures, with its SOL ("South of Lichfield") development, is actively involved in revitalizing a part of the City that was previously quite run-down and neglected. We have committed substantial sums of our shareholders' capital to bringing the precinct to life. In doing so, we recognise that the key ingredient required to support such revitalization projects is a substantial increase in the 'residential density' in the Central City.
3. The need for 'residential density' as a catalyst for city revitalization is something that has been recognized by urban planners worldwide at least as far back as the 1950s. It is a need that has been formally acknowledged and accepted by the Council in numerous policy and strategy documents.
4. Unfortunately, there is a complete disconnect between the proposed Development Contributions Policy promulgated within the Draft LTCCP and; (i) the Council's policy regarding inner city residential activity as contained in the City Plan and (ii) the substantial body of Council urban planning research and strategy.
5. By way of expansion, Part 12 of the City Plan "Policy: Residential activity" states the following;

"12.1.5 To encourage residential activity within the central city  
Explanation and reasons

Residential activity is provided for within the central city and is encouraged in both new purpose built residential apartment developments, and through the conversion of existing buildings. Mechanisms for encouraging these forms of residential developments include incentives such as remissions from development contributions for reserves where residential development is undertaken as part of, or in conjunction with, business development and/or subdivision in the central city and where at least the ground floor is in business use, lower car parking requirements compared to living areas, street and public improvements in association with residential developments, and advice on development and opportunities.”

6. The draft LTCCP Development Contributions Policy has made this City Plan policy completely redundant. The ability to qualify for remissions is proposed to be completely removed and the incentive for inner City residential development has instead been replaced with a major disincentive.
7. The City Plan policy referred to above replaces an earlier version which also provided for zero reserve contribution for conversions of existing floor space as follows:

“12.1.5 To encourage residential activity within the central city

Explanation and reasons

Residential activity is provided for within the central city and is encouraged in both new purpose built residential apartment developments, and through the conversion of existing buildings. Mechanisms for encouraging these forms of residential developments include incentives such as assessing reserve contributions for new developments in the same way as for business activities, no reserve contribution for conversions of existing floor space, lower car parking requirements compared to living areas, street and public improvements in association with residential developments, and advice on development and opportunities.”

8. Council *financial policy* can be seen, therefore, to be progressively watering down mechanisms for incentivising inner city residential development and has ignored and/or is in direct conflict with its own *urban planning policy*.
9. The Council’s strategy document “Revitalising the *Heart of Our City*” refers to encouraging development of residential living in the central city zone (especially east of Colombo St including the subject property). Section 6 of this document outlines the Council’s principles and short-term priorities for central city revitalization (see page 14). Section 6.1 number 1 refers to;

“1. East Side Focus – a focus on the east side of Colombo Street has been identified as being appropriate given: (a) the research undertaken to date which identifies those areas of the central city with a high ratio of vacant properties, generally lower street amenity, reduced access to public open space...”.

10. The strategy outlines some "key initial steps" toward improving the central city "immediately" and for its "long-term viability" (see page 3) including;
  - a) "Making it easier for business and residential development opportunities to proceed (in comparison to either suburban areas or other cities)."
11. The impact of the proposed LTCCP development contributions policy will be to ensure the exact opposite outcome to that outlined above and will making it harder for business and residential development opportunities to proceed in the Central City. The specific needs of Christchurch and more particularly the critical needs of the Central City have been completely ignored by the Council consultants and staff that have prepared the draft Development Contribution policy.
12. Over recent years the Council has spent millions of dollars of ratepayers' money researching the problems facing the Central City and developing strategies to overcome these and the proposed policy will effectively ensure these strategies will fail.
13. The stock of residential property in the Central City is extremely limited and whilst there are some developers tinkering with small apartment projects around the fringes of Victoria St and High St Property Ventures is the only local company prepared to put its hand up and develop residential *at scale* and we have a vision which entails developing around 1,000 apartments in the Central City over the next 5-10 years.
14. By way of expansion on how the proposed policy will impact on development and the Central City, we currently have a large-scale mixed use project on the drawing board that envisages some 250 affordable loft-style apartments with underground parking and some retail and commercial space. We have received a preliminary development contribution assessment from the Council that equates to more than \$5 million and that cost has to be paid to the Council before our company can put a spade in the ground. This project will not proceed if the draft Development Contributions Policy is adopted by the Council.
15. The Council has a vision for another 30,000 residents living within the "Four Avenues" and this will simply never happen if the draft Development Contributions Policy is adopted by the Council.
16. Property Ventures finds it inconsistent and alarming that the Council would contemplate adopting any financial barriers to Central City revitalisation – especially when the infrastructure in the Central City already exists and has been funded through Central City business rates for years and, we are told by Council staff, has surplus capacity.

17. The notion that Central City residential development should be taxed so more parks can be developed on the periphery of the City is nonsensical given the already huge number of Council-owned reserves around the City and on the Port Hills, together with the existing Central City open spaces including Hagley Park, Victoria Park and Cathedral, Cranmer and Latimer Squares and more importantly is contrary to the experience people are seeking from inner-city living.
18. If the Council adopts this draft policy in relation to Central City residential development then it can kiss goodbye to any hope of encouraging developers and investors to develop in the Central City and therefore its dream of both affordable accommodation and a vital Central City.
19. Property Ventures has property interests throughout New Zealand and is obliged to deploy its capital in regions that facilitate growth and investment - thereby maximising returns to shareholders. The proposed financial disincentive to Central City residential development will encourage developers to focus their efforts elsewhere.
20. Christchurch City suffers from some fundamental structural faults and a gradually deteriorating vitality which will only be reversed by substantially increasing the density of people living in the City. The market for inner-city living is completely undeveloped in Christchurch and it is hard for people outside the industry to appreciate how incredibly hard and costly it is to develop property in the Central City compared to suburban and green-fields property, or how much investment in marketing is required to develop this infant market from scratch.
21. The proposed policy will very likely ensure a scenario of on-going suburban development with contingent urban sprawl and increased demand on district-wide infrastructure, continued large-format suburban retail development and a Central City which is essentially a "dead place" where people come only to work and then leave in droves at the end of the day.
22. **We propose that, to kick-start a sustained trend toward inner-city living, the Council 'invests' in a moratorium on Central City residential development contributions for a period of at least 10 years.** The Council is fully entitled not to levy under the Local Government Act and such a policy would be entirely consistent with existing Council strategy and would send a clear message to the development community as to where Council priorities lie.
23. This is a perfect opportunity for the Council to give some much needed teeth to its extensive rhetoric in relation to the Central City and the legacy of the Council's decision in relation to this issue will define how this particular Council is viewed by current ratepayers and remembered by future generations of Cantabrians.

24. I confirm that we wish to be heard in relation to our submission.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D. Henderson', with a long horizontal flourish extending to the right.

**David Henderson**  
Managing Director