

Land Use Recovery Plan

Context Paper

(Update February 2013)



Working in partnership with



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1.0 INTRODUCTION

1. A Land Use Recovery Plan is being prepared to support greater Christchurch's earthquake recovery, particularly over the next 10 to 15 years. The community is invited to help determine the issues and options to be addressed by the Land Use Recovery Plan.
2. In preparing this Context Paper of land use in greater Christchurch, the strategic partners¹ have highlighted what is known about the post-earthquake environment. There is a lot of monitoring and analysis being undertaken by CERA, the strategic partners and others. Presented below is what is known at this point in time, recognising that ongoing monitoring and further research will provide more up-to-date information to inform decision-making as the process evolves. The Context Paper provides part of the evidence base upon which to build a clear picture of the issues facing greater Christchurch as it recovers from the earthquakes.
3. The purpose of this Context Paper is to help stakeholders gain a greater understanding of the information being considered, and to invite comment and recommendations on where additional information can be found, and where assumptions need further testing. More importantly, the Context Paper helps identify the key challenges that could be addressed by the Land Use Recovery Plan, provides information for key stakeholder groups to engage in an informed manner at workshops and helps progress the preparation of a draft Land Use Recovery Plan.

1.1 PREPARING THE LAND USE RECOVERY PLAN

4. It is expected that the draft Land Use Recovery Plan will focus on the following:
 - Housing and residential land supply – including a range of housing types;
 - Business land supply;
 - Infrastructure and transport to support residential and business land-use decisions; and,
 - Avoiding and mitigating natural hazards and environmental constraints.
5. The draft Land Use Recovery Plan will address the key question:
What needs to change as a result of the earthquakes, in terms of residential and business land-use priorities, policy and planning provisions, and other tools and incentives, to enable the rebuilding and recovery of greater Christchurch?
6. In preparing the Land Use Recovery Plan particular consideration will be given to a range of related matters, such as integrating supporting infrastructure and transport networks, funding options, housing choice (including affordable and social housing) and avoiding and mitigating risk from natural hazards.
7. The Land Use Recovery Plan is needed to provide certainty about future land-use patterns in greater Christchurch, particularly during the recovery period of the next 10-15 years. Clear direction is required for decision making about where and when to reinvest in greater Christchurch, particularly with regard to residential and business-land supply.
8. Significant impacts have occurred as a result of the earthquakes. Land-use planning needs to provide for necessary housing demand and the relocation of businesses, and acknowledge Red Zone decisions, changes in flood levels, emerging building trends, changing demographics and many other issues that need to be addressed as part of earthquake recovery. This requires re-

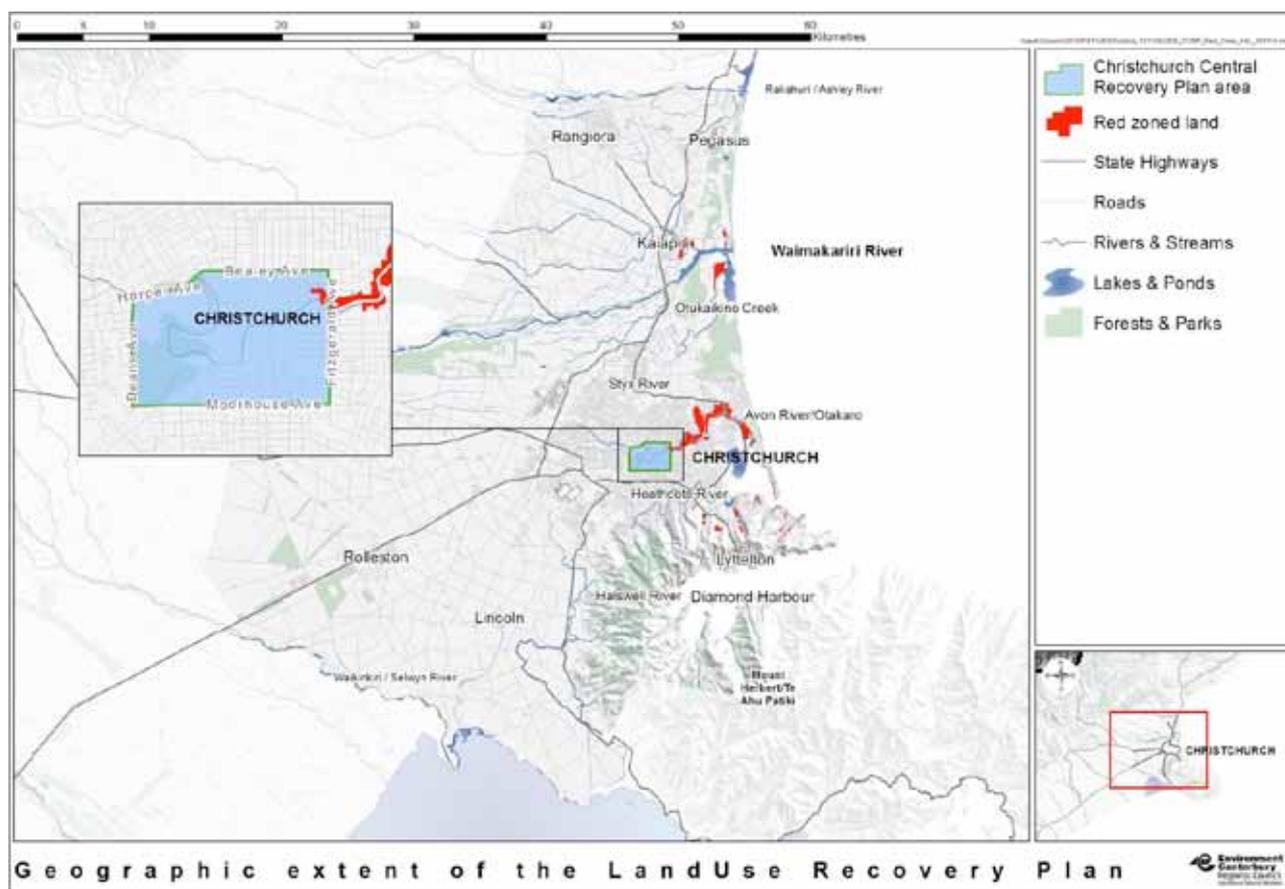
¹ The Strategic partners are the Canterbury Earthquake Recovery Authority, Canterbury Regional Council, Christchurch City Council, Selwyn District Council, Waimakariri District Council, Te Rūnanga o Ngāi Tahu and the New Zealand Transport Agency

examining the existing planning and policy framework, to ensure it is enabling an efficient and effective earthquake recovery, and furthers the purposes of the CER Act.

9. A range of tools and incentives may be needed to provide housing and business premises to support recovery. A range of natural hazards and environmental constraints will inform where and when development occurs. This includes protecting strategic infrastructure, and informing significant investment decisions on the timing and provision of infrastructure to support the rebuild.
10. The Land Use Recovery Plan also must be consistent with the Christchurch Central Recovery Plan and the vision for the central city to be *the thriving heart of an international city*.

1.2 GEOGRAPHIC EXTENT OF THE RECOVERY PLAN

11. The geographic focus of the Land Use Recovery Plan is on the metropolitan urban area and towns stretching from Lincoln and Rolleston in the south to Rangiora and Woodend in the north and encompasses Christchurch City. The Red Zone land in eastern Christchurch, on the Port Hills and in Kaiapoi is out of scope, as is the area covered by the Christchurch Central Recovery Plan (CCRP), except where necessary on across-boundary matters relating to residential land use and transport,
12. This area is referred to as greater Christchurch in this document, and illustrated on the map below:



13. Directing residential and business land-use planning changes to support rebuilding and recovery is important at this time. The Land Use Recovery Plan will provide certainty and confidence across all investment sectors (public and private, including households). There is no blank sheet for developing the Land Use Recovery Plan; many established concepts and key approaches to managing land use for greater Christchurch remain relevant in the post-earthquake environment. The evidence indicates that a range of earthquake-induced changes to existing plans, incentives

and tools are necessary to support the recovery. This Context Paper outlines these issues and invites comments on ways to solve problems and facilitate recovery.

14. The benefits of, and community support for, achieving efficient, integrated, and well-designed urban areas are matters the Land Use Recovery Plan is likely to continue, where this assists recovery.

1.3 STATUTORY FRAMEWORK

15. The development of the Land Use Recovery Plan has been authorised by the Minister for Canterbury Earthquake Recovery (see Appendix 1 for the direction made by the Minister). It is intended to be operational in the third quarter of 2013.
16. Recovery involves the whole community, and the benefits of working together post-earthquake have already been demonstrated. Partners and relevant stakeholders, and members of the wider community are invited to have their say on the content of the draft Recovery Plan. Suggestions of how best to respond to the post-earthquake environment, within the scope of the Land Use Recovery Plan, are welcomed.
17. The land-use issues to be addressed for recovery purposes have to satisfy provisions in the Canterbury Earthquake Recovery Act 2011 (CER Act) and the Recovery Strategy for greater Christchurch, Mahere Haumanutanga o Waitaha (Recovery Strategy).
18. The Recovery Strategy provisions include goals and priorities. The Recovery Strategy priorities provide guidance about the focus for provisions within the Land Use Recovery Plan. The priorities such as “supply of land for recovery needs”, “a functioning CBD, suburban areas and rural towns” and “options for replacement housing” are particularly relevant.
19. Consideration of these matters ensures the development of the Land Use Recovery Plan focuses on earthquake recovery, consistent and complementary to CERA’s and other organisations’ recovery work programmes.

1.4 LEGISLATIVE FRAMEWORK

20. This background paper focuses on what needs to change because of the earthquakes. Key concepts for Resource Management Act (RMA) and planning purposes remain relevant, with the challenge being how to apply these to facilitate recovery. Some clarity around which plans apply and what that means for future urban development is needed.
21. The Land Use Recovery Plan is developed under the CER Act, and any other plan, whether prepared under the Local Government Act (LGA), RMA, or Land Transport Management Act (LTMA) needs to be not inconsistent with the Land Use Recovery Plan approved by the Minister. The Land Use Recovery Plan is to be read together with and forms part of plans such as Annual Plans, Long Term Plans, and other plans prepared under the LGA, the Regional Land Transport Strategy (RLTS) and Regional Land Transport Programmes prepared under the LTMA, the Regional Public Transport Plan prepared under the Transport Management Act 2008, and a range of other plans. The Minister has the power to suspend, amend or revoke the whole or any part of existing RMA Plans, plans or policy under the LGA and a range of other plans.

1.4.1 REGIONAL POLICY STATEMENT – PROPOSED CHANGE 1

22. Proposed Change 1 (PC1) to the Regional Policy Statement (RPS) addresses land use and urban growth management in greater Christchurch for the period to 2041. PC1 is subject to appeals before the Environment Court. The RPS does not undertake any land zoning; this is managed through district plan processes. However, since PC1's notification in 2007, some of the land identified for future residential and business growth has been through a plan change assessment and now has an operative zoning.

1.4.2 DISTRICT PLANS

23. There are four operative district plans within greater Christchurch, the Christchurch City Plan, the Banks Peninsula District Plan, the Selwyn District Plan and the Waimakariri District Plan. The district plans contain detailed land-use provisions, including identifying zones for different activities and the standards that activities must meet. The district plans must give effect to the RPS. Decision making with regard to consents, and making plans under the RMA must be not inconsistent with a Land Use Recovery Plan approved by the Minister. The Land Use Recovery Plan will be read together with and form part of the existing plans, and the Land Use Recovery Plan prevails where there is any inconsistency between it and the district plan.
24. Under the CER Act 2011 a Recovery Plan not only prevails where other planning documents or consent applications are inconsistent with it, but it can direct any of the councils to amend any documents under the Resource Management Act 1991. So, for example, the Land Use Recovery Plan could direct the Christchurch City Council to amend the City Plan to allow for objectives, policies and methods that support residential development in identified priority areas. The Land Use Recovery Plan may make changes to planning documents to support the recovery of greater Christchurch. Changes to planning documents, amongst other things, will be considered as possible solutions to the issues raised in this document, and also to other issues raised during the process of consultation.

1.4.3 THE CHRISTCHURCH CENTRAL RECOVERY PLAN

25. The Christchurch Central Recovery Plan (CCRP) sets out a 30-year vision for the redevelopment of the Central City, and focuses on the key projects crucial to recovery over the next five years. The Land Use Recovery Plan recognises the changed land-use pattern and considers the need for integration and consistency across the boundary of the CCRP and the adjacent land – but will not result in changes being proposed to the CCRP. The CCRP will influence but does not provide a regulatory direction with regard to restrictions on suburban development. However, the speed, intensity, and type of redevelopment in the central city has implications on the wider housing market, and the business land required in different locations across the city.
26. What happens within the Central City, and how quickly, has implications on the general attractiveness of greater Christchurch as an area to live in and visit. The Land Use Recovery Plan will need to be consistent with the CCRP and ensure land-use decisions support the vision for the Central City to become the thriving heart of an international city.

1.5 SOME FACTORS TO BE CONSIDERED

27. As a consequence of the earthquakes significant land-use changes have occurred, some temporary and some long term. Residential uses cannot continue in some locations, while significant numbers

of households may need to be temporarily relocated while repairs and rebuilds are undertaken. Businesses have moved premises and locations. There is significant damage to infrastructure, including the transport network, limiting capacity for business, and changing accessibility to facilities and community activities. These changes must be recognised as greater Christchurch recovers.

28. Set out in this section are key information, concepts and approaches to land-use planning. This informs decision-making about where and how to provide sufficient opportunities for housing for displaced residents and new workers, and for businesses to recover and grow. Decisions made for recovery will shape and influence the basis for greater Christchurch’s future development and growth. Long-term issues must be accommodated where possible and be consistent with recovery needs.

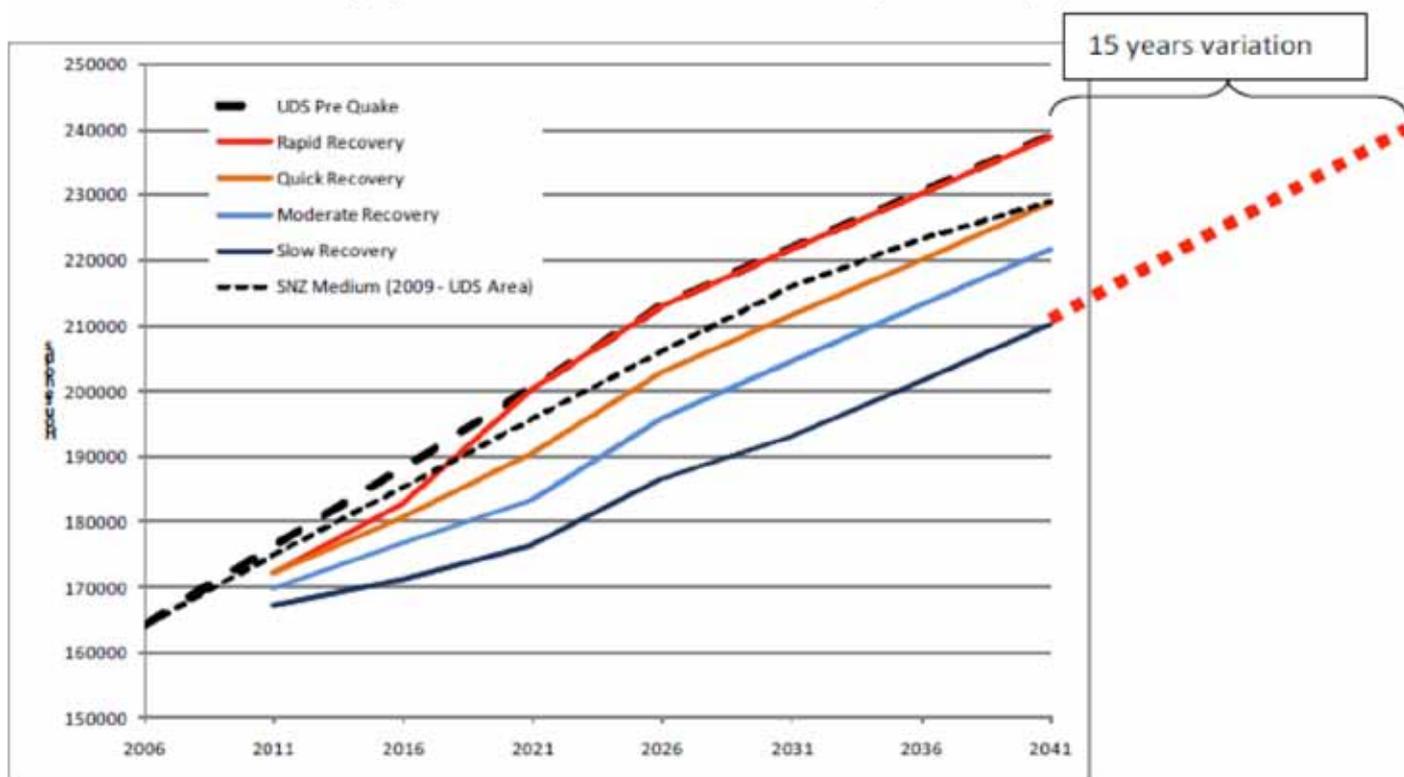
1.5.1 POPULATION CHANGE

29. Christchurch is the second largest city in New Zealand and largest in the South Island. Greater Christchurch has a population of around 454,700. Indications are that greater Christchurch is moving from a post-earthquake net population loss, to a net gain in migration. The total population of greater Christchurch is anticipated to return to pre-February 2011 levels by 2016.

Source: 2006-12; Statistics New Zealand Estimates (2006 census base)		Waimakariri District	Christchurch City	Selwyn District	Greater Christchurch
Resident Population	2006	44,060	361,820	35,000	440,860
	2012	49,200	363,200	42,300	454,700
Census	2001-06 Av.	+1,200	+4,900	+1,300	+7,400
Annual Estimated Change	2006-07	+1,000	+3,900	+1,400	+6,300
	2007-08	+1,000	+3,200	+1,100	+5,400
	2008-09	+800	+3,700	+1,100	+5,600
	2009-10	+800	+4,000	+1,000	+5,700
	2010-11	+900	-8,900	+1,600	-6,500
	2011-12	+600	-4,500	+1,200	-2,700

30. There are significant variations in the location and distribution of the population compared to pre-earthquake. Selwyn District is estimated to have grown by 2,700 persons and Waimakariri District grown by 1,580 persons, since February 2011. In Christchurch City there has been significant population movement, particularly away from the eastern suburbs and the Central City. This has a range of implications for the transport network and residents proximity to employment opportunities, social facilities and entertainment and recreation. There are environmental effects and health impacts resulting from the dispersed population, which raises other issues that must be considered by the Land Use Recovery Plan.
31. A Household Growth Model (HGM) used by the strategic partners outlines four plausible recovery scenarios (Rapid, Quick, Moderate and Slow). The four HGM scenarios are depicted below in Figure 1, but have not yet built in the expected demand for temporary worker accommodation or temporary rental demand to accommodate residents while repairs are undertaken. This model is being updated and integrated with other models to provide an overall picture of housing demand and supply. Initial indications are that the recovery is tracking relatively close to the moderate recovery scenario. As demonstrated below, there is a divergence between the expected population

pre-earthquake and a moderate recovery.



32. Following the earthquakes it is estimated there was a net population loss of 9,200 people from the three districts affected - Christchurch City, Selwyn District and Waimakariri District. Population loss was largely due to a net migration loss of 16,600 people from Christchurch City, partly offset by a natural increase of 3,100 people, resulting in a net population loss of 13,500 for the City. It is estimated that a reasonable portion of the loss from the City resulted in population gains for the adjoining districts. Selwyn District is estimated to have increased its' population by 2,700 people over the two-year period (since the September 2010 earthquake), and Waimakariri District by 1,580 people. Selwyn District was the fastest growing territorial authority in New Zealand for both years. A relatively significant portion of the population loss was families with children.²

1.5.2 QUALITY URBAN DEVELOPMENT

33. In making recovery decisions the Land Use Recovery Plan assumes there are attributes of local towns and the city that residents enjoy, and want to see restored and enhanced. There are established planning and urban design principles for ensuring good quality development that will influence the preparation of the Land Use Recovery Plan and should be integrated in to the Land Use Recovery Plan, to facilitate earthquake recovery and restore and enhance greater Christchurch.
34. A consolidated urban form that builds on existing settlement patterns is important. It can optimise investment in infrastructure and ensure communities are connected to transport networks and have access to employment opportunities, community facilities and other things offered by a fully functioning city. It is important that the design of buildings, places and spaces support the towns and city to be enjoyable and successful places to live and work.

² Statistics New Zealand estimates for June 2011 and 2012 years.

1.5.3 CONSTRAINTS AND HAZARDS

35. Rebuilding a safe and resilient city is a priority for earthquake recovery. Development and recovery initiatives can generate long-term efficiencies if undertaken in a sustainable manner, to avoid or appropriately mitigate natural hazards. Natural hazards in greater Christchurch include earthquake and associated tsunamis, landslips, rockfall, flooding - including sea level rise, droughts and other weather events.
36. To avoid and mitigate natural hazards requires rebuilding infrastructure and buildings in a resilient, cost effective, energy-efficient manner, and drawing on sound information about seismic activity and environmental constraints, before decisions are made.
37. The Land Use Recovery Plan draws on all of the information available about the risks posed by natural hazards in greater Christchurch. The Land Use Recovery Plan must direct the policy framework to respond to those potential hazards to avoid and mitigate the risks with regard to land-use decisions. Many of the risks are understood and mapped already, but these will be re-examined in a post-earthquake environment.

2.0 RESIDENTIAL LAND USE ISSUES

38. A snapshot of residential land supply issues is provided in the table below, and discussed in more detail in the text.

Matter	Statistic
Net households lost	3700 households
Likely migration trend	Net household gain
Permanent housing demand - Red Zone and other existing households	4,000 – 5,000 new homes
Permanent housing demand - household formation, migration, natural increase	1,500 new homes per year
Temporary accommodation demand – displaced households during repairs	6,000 units at peak
Temporary accommodation demand – rebuild related workforce	5,000 – 15,000 units at peak
Potential sections to become available since February 2011	55,600
Sections zoned for residential development on Greenfield land (excludes infill)	27,500 - sufficient for 15-year demand for permanent housing, insufficient for temporary accommodation demand at max peak

IMPACT OF THE EARTHQUAKES

39. Of the approximately 190,000 dwellings in greater Christchurch approximately 91% received some sort of damage as a result of the earthquakes³. This has made thousands of homes and sections either permanently or temporarily uninhabitable, creating a large unplanned demand for other existing homes, for rental accommodation including social housing, and for new sections. The growing rebuild work force is further increasing demand for housing.
40. The demolition of buildings has also provided potential to increase the long-term supply of housing by redeveloping sites now available for higher-density housing.
41. The response to the earthquakes is shaped by the considerable damage to infrastructure, which impacts on both existing suburbs and the capacity to service new housing areas.

2.1 HOUSING DEMAND

42. Some 7,800 dwellings have been placed in the residential Red Zone and another 9,000 (excluding the Red Zone) were made uninhabitable⁴. Based on a CERA survey of Red-Zone residents, approximately 6,200 households intended to stay in greater Christchurch and will create demand for housing, with the remainder migrating elsewhere⁵. As at October 2012 approximately 4,800 households have relocated from the Red Zone, and there is some anecdotal evidence most are

³ Estimate from CERA based on EQC damage data.

⁴ Estimate from CERA as at February 2012.

⁵ Survey undertaken in October 2011.

moving into existing suburbs and not into the new Greenfield developments⁶. This is not surprising considering that the median rateable value of Red Zone properties is \$308,000, while most new sections and homes cost in excess of \$400,000⁷.

43. Even if a significant number of Red-Zone households buy existing houses, rather than new sections and homes, the chain of sales of existing houses may ultimately translate into a sizeable demand for new sections and homes. Likewise, a significant number of Red-Zone residents may end up renting, as the median house price in greater Christchurch is \$394,000⁸. This also has the potential to generate demand for new rental homes, particularly in the tight rental market that already exists in greater Christchurch. A relatively small number of Red Zone households may end up in other accommodation arrangements that do not create a demand for additional housing, such as sharing with other households.
44. The demand generated from Red-Zone households is likely to be offset in part by the number of non-Red Zone households who have left greater Christchurch, reducing the housing demand. The net population loss has been calculated as 9,200, which converts into approximately 3,700 households (recognising that a relatively high portion were families). On the basis of the above figures, which estimate that 1,600 Red-Zone households left greater Christchurch, the existing homes of another 2,100 non-Red Zone households who left greater Christchurch will be available to meet the demand.
45. In addition to the 9,000 uninhabitable homes mentioned earlier, 37,000 dwellings are habitable but are damaged to the extent that the occupiers will need to temporarily relocate to enable rebuilds and repairs to be undertaken⁹. Taking into account the portion of these households who have left, or will leave, greater Christchurch, previous modelling indicated this could result in a need for temporary accommodation for approximately 6,000 households at the peak of the rebuild¹⁰, depending on the speed of the residential rebuild. This modelling work is being reviewed in light of recent experience, with the expectation the rebuild will be spread out over a longer period, with a lower peak.
46. A small portion of residents with damaged homes may choose to buy another house while their original houses are being repaired or rebuilt, particularly if there are complications, such as with TC3 land. This will create a demand for additional housing at least until existing houses are repaired.
47. In addition, it was previously estimated that about 36,000 earthquake construction and related workers might need accommodation at the peak of the rebuild. Updated modeling now indicates a lower number. This could translate into a need for 5,000 – 15,000 temporary accommodation units at the peak of the rebuild (depending on the mix of accommodation types)¹¹.
48. The various demands noted above for temporary accommodation has the potential to increase demand for rental accommodation, increase rents and displace households currently in rental accommodation. There are indications this is happening already. This may increase the demand for social housing provided by central and local government and other organisations.

6 Information from CERA.

7 Information from CERA

8 Information from CERA

9 CERA estimate based on EQC damage data

10 Market Economics workforce modelling, CERA.

11 Market Economics workforce modelling, CERA.

49. During the recovery period there is also likely to be demand for housing from natural growth and household formation from within the existing population and from non-rebuild related immigrants. There are indications that greater Christchurch may have already moved from a net population loss due largely to significant outwards migration¹² to a net gain in migration¹³. The total population of greater Christchurch is unlikely to return to pre-February 2011 levels until 2016¹⁴. Historical trends are that the average annual demand for new sections is approximately 1,500/yr for greater Christchurch and up to a maximum of approximately 2,500/yr. A demand for approximately 1,500/yr appears adequate considering the indications that immigration is only just turning positive and that a certain amount of the normal demand for new sections from existing residents will already be reflected in the demand from existing residents selling to Red-Zone residents.
50. In summary, additional housing demand is likely to be the following for an earthquake recovery period of 10 – 15 years:

PERMANENT

- 4,000 – 5,000 for existing residents (Red-Zone households and other households opting to build on a new site)
- 1,500 per year for household formation, natural growth and immigration (including some rebuild related workforce)

TEMPORARY

- 6,000 peak for displaced households whose houses are being repaired/rebuilt
- 5,000 – 15,000 peak for temporary rebuild related workforce

51. The peak in demand for new permanent housing is likely to be in the months leading to the April 2013 deadline for residents to leave the Red Zone. The majority of Red-Zone households have accepted government offers and are in the process of relocating. Those staying in greater Christchurch will either be buying new houses or existing houses, with the owners of existing houses buying new houses.
52. A number of Red and non-Red Zone residents are likely to be in temporary accommodation waiting to move into new or existing homes, contributing to the pressure on rental accommodation.
53. The peak demand for temporary accommodation is likely to be in the future as the rebuild ramps up. Earlier modelling suggested temporary accommodation needs for the rebuild workforce were likely to peak in early 2013 and early 2015 for households displaced while their houses are being repaired/rebuilt¹⁵. This is being reviewed with the expectation that the peaks will occur later.
54. In a maximum peak demand scenario with peaks for temporary accommodation for both displaced households and workforce occurring in 2014, and using the maximum numbers indicated above, the accommodation needs up to 2014 would be 32,000 accommodation units.

2.2 HOUSING SUPPLY

12 Some 9,200 over the last 2 years for the three Council areas of Christchurch, Waimakariri and Selwyn, but due largely to a loss of 13,500 from Christchurch City (Statistics NZ).

13 Statistics NZ.

14 Indications are that the recovery is tracking relatively close to the modelled moderate recovery scenario, rather than a quicker or slower recovery scenario (Market Economics population modelling).

15 Market Economics workforce report, CERA

55. Potential for about 55,600 sections¹⁶ to become available from February 2011, has been identified within greater Christchurch (as at March 2012), either in existing zoned land in district plans or future urban development areas identified in the RPS through to 2041. This figure does not include all the existing zoned vacant land or all land with potential for intensification.¹⁷ Nor does it include houses outside the Red Zone vacated by households who have chosen to move out of greater Christchurch (possibly 1,000 homes¹⁸), although at least some of those sections and houses may not be available for some time until repairs, demolitions, or rebuilds occur¹⁹.
56. Of that potential, 27,500 Greenfield sections were identified as being zoned and available for development, with a further potential 3,000 sections going through the plan change process to be rezoned. Other plan changes initiated since then will provide even more Greenfield sections.
57. There is sufficient existing zoned land in Greenfield locations alone for all the anticipated permanent housing demand for a recovery period of 15 years. This is without having to accommodate households through infill, redevelopment of Brownfield sites, or rural-residential sites.
58. However, the existing zoned Greenfield land (27,500 sections) could not accommodate the maximum peak demand scenario indicated above with a peak in 2014 (32,000 units). A considerable portion of the potential capacity of 55,600 sections would need to be available to accommodate such a scenario. Either most of the identified Greenfield land (42,700 sections) would need to be developed and put on the market, or significant accommodation provision would need to be made through infill/intensification within the existing urban area.
59. There is a significant difference between the amount of land that may be zoned and the amount and timing of sections being released onto the market. Unless there is some form of intervention, it may not be realistic to expect all the currently rezoned Greenfield land will be released onto the market by 2014, let alone the total identified potential development capacity. Significant accommodation will need to be provided through redevelopment or infill within the existing urban area.
60. A considerable amount of medium and high-density housing has been lost as a result of the earthquake²⁰. The replacement of lost housing and redevelopment of other Brownfield sites could provide for a significant proportion of the accommodation needs.
61. It may not be appropriate to use Greenfield land for the significant temporary accommodation needs. A location within the existing urban area would be advantageous for the temporary workforce being closer to the areas of rebuild, as well as existing services and facilities.
62. The most critical recovery issue in terms of providing for accommodation needs is the significant temporary accommodation needs. In addition, if the demand for temporary accommodation is not adequately provided for, rate of recovery may be at risk of being reduced.
63. It is noted that the Minister recently introduced special provisions to allow for temporary workers

16 The term "sections" is used here as referring to all forms of housing demand, including housing forms such as townhouses, flats, etc.

17 It includes only large Greenfield areas, particularly those that have been recently rezoned or are actively being pursued (e.g. subdivision applications are progressing). It includes a figure of 11,500 potential intensification sites, which was calculated based on those developments being actively pursued and historical trends of infill development. It includes potential for 1,419 rural-residential sites.

18 Based on a net population loss of 9,200 and excluding the homes of households who have left that are in the red zone, and therefore no longer available.

19 Marketing Economics housing demand report

20 EQC data

accommodation. To date, the take-up of these provisions has been low.

2.2.1 POTENTIAL CONSTRAINTS ON HOUSING SUPPLY

Matter	Statistic
Serviced sections available in 2012	23,000
Pre-earthquake annual infill rate	300 to 400 households per year

2.2.2 INFRASTRUCTURE AVAILABILITY

64. There is considerable damage to the public infrastructure of greater Christchurch from the earthquakes, with a significant drop in the levels of service provided to the existing community. The rate of recovery to pre-earthquake levels of service is likely to vary, particularly as there are limits to available funding. In addition, the need to provide new housing areas means that new public-funded infrastructure or increased capacity is required. In some cases capacity in existing infrastructure that would have allowed for the development of additional housing areas has gone, due to the damage to the existing infrastructure.
65. An appropriate water supply, electricity supply, and wastewater are generally accepted as essential to support residential development. The strategic transport network and local roads, public transport and active modes of travel are also important to support recovery and residential land-use decisions.
66. The most essential infrastructure likely to be a constraint on housing supply is wastewater and water supply. The necessary public-funded infrastructure will be available from 2012, for approximately 23,000 of the 55,600 potential sections in greater Christchurch. This will increase by at least another 4,500 potential sections in 2013 and another 3,700 potential sections in 2014²¹. The figures for 2013 and 2014 do not contain any infill of residential development within the existing urban areas, which have an increasing capacity to accommodate infill housing development as the infrastructure rebuild continues. Prior to the February 2011 earthquake, about 300 – 400 homes per year were being accommodated within the existing Christchurch City urban area. There are significant opportunities to increase the residential use of Brownfield or infill development.
67. These figures suggest the potential number of sections with wastewater and water supply infrastructure considerably exceeds the anticipated demand for new permanent houses expected for this year, and for future years. Adding in the anticipated temporary accommodation demand even for the peak of the rebuild (a possible peak scenario of 32,000 additional houses,) it seems likely the capacity will be adequate, particularly as in many cases the temporary accommodation needs of households whose houses are being repaired or rebuilt will simply be transferred from one location to another location in the existing urban area. This may depend on when and how large the peak is. With expectations the rebuild peak will be later and lower, the risk of an insufficient number of potential serviced sections is less of a concern.
68. What may be more of an issue is the likely rate of release of the potential serviced sections onto the market. It appears to be common for larger developments, in particular, that sections are seldom released all at once, or even necessarily within the same year, even if the public infrastructure necessary for all the sections is available. (This issue is considered in the next section below.)

²¹ A small portion of the numbers of potential sections indicated for each year are known to have other constraints, some of which do not relate to infrastructure.

- 69. One option could be to increase the number of new residential developments. This may require additional public infrastructure resulting in construction and operational costs being borne by the community. Increasing the number of residential developments in the market can lead to each development further reducing the number of sections released onto the market. This can reduce efficiency by increasing the time the community has to cover the costs of constructing the infrastructure. It can result in infrastructure operating ineffectively (increasing operational costs), making the use of the resources providing the infrastructure increasingly inefficient (i.e. proportionally smaller numbers of additional sections coming onto the market from the increased investment in infrastructure).
- 70. If public infrastructure is needed for more or different areas, it would be appropriate to consider which areas enable the efficient and effective use of the limited resources available. There may be a need to prioritize residential areas.

2.2.3 RELEASE OF SECTIONS ONTO THE MARKET

- 71. There are continuing comments from the community that there are not enough sections available on the market, and that they are overpriced.
- 72. Of the identified existing potential for 55,600 sections, some 12,000 are on land that is not going through any rezoning process to allow residential development.
- 73. Despite land being rezoned and having infrastructure capacity to allow development to begin there are a number of Greenfield sites, some large, where landowners are not progressing subdivisions and releasing sections onto the market.
- 74. There have been comments from some landowners recently that there is resistance from financing institutions to fund developments because of the large amount of rezoned land already existing in greater Christchurch.
- 75. In addition to financing issues, there may be issues relating to geotechnical matters, availability of staff and resources, insurance, and commercial profitability that may be affecting the release of sections onto the market.

2.3 AFFORDABLE HOUSING

Matter	Statistic
Loss of affordable rental accommodation	2500 households
Loss of social housing	1000 households

- 76. There has been a loss of rental properties and increasing rents. The combined effect is that over 2,500 properties that were renting for fewer than \$300 a week are now removed from that market²².
- 77. Over 250 boarding house units renting for \$150 or fewer per week were destroyed by the earthquakes and have not been replaced²³. Over 1,000 units of social housing were made uninhabitable by the earthquakes²⁴.

²² CERA data

²³ CERA data

²⁴ CERA data

78. A significant portion of Red-Zone properties were also at the more affordable end of the housing market, reflected in the difference noted earlier between the median price of Red-Zone properties and the average for greater Christchurch.
79. All these impacts indicate a considerable undersupply of affordable housing, including rental accommodation.
80. One option often raised to increase affordability is to increase the supply of sections on the market. The issue is how to achieve an increased supply. The experience in Christchurch indicates that simply rezoning land and providing public infrastructure for that land does not guarantee the sections will be released onto the market. As noted earlier, financial institutions and other factors can limit the supply of sections released onto the market. This may reflect the situation in greater Christchurch, with a large amount of land rezoned and a large number of developments underway.

2.4 HOUSING CHOICE AND DIVERSITY

81. The earthquakes resulted in a significant loss of medium and high-density housing, as well as larger low-density housing. Demographic analysis suggests there is significant demand for smaller housing (1-2 bedroom) for Red-Zone residents than the housing they will be leaving behind, reflecting the fact that 23% of Red-Zone households included someone aged 60 years²⁵ or older and the continuing trend of a declining average household size. There is likely to be a demand for the design of housing to accommodate people at any stage of life and people with disabilities.
82. There may be a range of other specific housing needs to be addressed. For example, the Land Use Recovery Plan may need to consider whether provision should be made for returning Maori to their ancestral lands, housing for Maori particularly from Red Zone and damaged areas, and housing for a range of other specific groups.
83. There is considerable policy support for intensification of housing in the urban area. The CCRP seeks to provide residential development within the Central City to support business growth and create a high level of activity. Increased housing densities in other urban areas are likely to be beneficial, at locations adjacent to major suburban commercial centres. Regional and district planning documents also encourage and provide for a mix of residential densities.
84. Feedback from the development community suggests finance, planning and consenting issues make intensification developments more complex than Greenfield development. There is a risk the range of housing options available to households will be limited to larger houses outside existing urban areas. This is occurring to a significantly greater degree than pre-earthquake, and does not reflect demand for a mix of housing sizes and types.
85. For the years 30 June 2004 – 2010 the average percentage of Greenfield housing compared to infill in Christchurch City alone was 46%, which has increased to an average of 58% for 2011 and 2012. This does not include development in the Selwyn and Waimakariri Districts, which have been the location of most residential development since the earthquakes, almost all of it Greenfield.
86. The CCRP has a vision to be *the thriving heart of an international city* and steps are being taken to encourage residential development there. The success of the CCRP and initiatives of the CCDU are inextricably linked with the wider housing market, and development that occurs outside of the four avenues. The Land Use Recovery Plan will consider this issue further.

2.5 HOUSING LOCATION

87. There are a number of potential constraints that may limit the suitability of potential housing areas. These may include natural hazards, impacts on strategic infrastructure (e.g. airport, port and state highways), availability of infrastructure (including transport), and landscape, ecological, heritage and cultural values.
88. These constraints impact on the choices available to people, seeking temporary or new permanent accommodation who may have a variety of preferences for the location of housing.
89. In many cases these issues have already been through the rezoning of land in district plans or are areas proposed for future housing in the RPS. There appears to be a ready supply of zoned land to meet the likely demand for permanent housing during the recovery. Housing location would only be an issue if supply is shown to be insufficient, or there are difficulties with those identified areas.
90. If there is a need to look at alternative locations, the alternatives should include consideration of locations within the existing urban area particularly suitable for higher densities of housing, including locations close to major commercial centres. Provision is already made, primarily in the Christchurch City District Plan, for higher densities of housing around the Central City and a number of suburban centres. Higher-housing densities are proposed as a requirement for Greenfield areas in the RPS.

2.6 QUALITY OF DEVELOPMENT

91. There is a risk that development following the earthquakes is of poor aesthetic quality, lacking in distinctiveness and attractiveness, due to the pragmatic desire to rebuild quickly. This could leave a large legacy of poor-quality buildings and urban design that becomes a hindrance to recovery, discouraging further investment and making greater Christchurch an unattractive place for people to live and visit.
92. Existing regional and district planning documents deal with the issue of the quality of development to varying degrees. Good quality urban design, the layout of streets, design of subdivisions, orientation of sections and integrating environmental considerations in to new developments, such as naturalised stormwater systems, has been provided for to varying degrees in different developments across greater Christchurch. The preparation of the Land Use Recovery Plan will consider these issues and whether changes are necessary. There is a cost associated with 'bad design' which could hinder the recovery through creating unattractive places for people to live and can impact on the transport network, energy costs, the health system, safety and security, the natural environment and other issues. The provision of safe, well-designed good quality housing is important for the health and wellbeing of residents.

3.0 BUSINESS LAND USE ISSUES

3.1 KEY FACTS AND FIGURES

93. Greater Christchurch plays a major role as a business and employment hub for the South Island and in particular supports the range of economic activities in the wider Canterbury region.²⁶
94. The Canterbury regional economy broadly reflects the national economy in terms of employment by sector, with a significant proportion of employees in the Manufacturing (12.7%), Health Care and Social Assistance (10.0%), Education and Training (9.4%), Construction (9.6%), Retail Trade (9.4%), Professional, Scientific and Technical Services (7.5%), and Agriculture, Forestry and Fishing (7.4%) sectors²⁷.
95. In addition to the Christchurch City CBD there is a significant geographical business and employment focus:
 - in and around town and suburban centres;
 - along strategic road and rail corridors;
 - in industrial zones and business parks such as at the I-Zone Southern Business Hub in Rolleston and the Southbrook Business Park in Rangiora;
 - at key infrastructure nodes such as Lyttelton Port and Christchurch International Airport; and
 - at key health and education campuses, such as Christchurch Hospital and the three tertiary institutions - University of Canterbury, Lincoln University and Christchurch Polytechnic Institute of Technology (CPIT).
96. For clarity, 'Business' refers to all employment sectors relating to urban activities, including commercial (office and retail) and industrial land uses. The Land Use Recovery Plan does not cover rural industrial land provision, including activities such as quarrying.
97. Existing council district plans identify a range of business zones to direct the types of business and activities that can be located in any particular area based on a range of desired planning outcomes.

²⁶ Statistics NZ Business Demography Statistics at February 2012 records the Canterbury region accounting for 51% of all business locations and 53% of all paid employees in the South Island, with Greater Christchurch representing 75% (47,666 business locations) and 81.7% (209,540 paid employees) of the Canterbury figures respectively.

²⁷ Statistics NZ Household Labour Force Survey, September 2011

Table 1: General Summary of Business Zones across Greater Christchurch

Types of uses	Christchurch	Selwyn	Waimakariri
Office, retail, small business	B1	B1	B1 and B4*
Office, retail, parking	B2 and B2P	B2	
Large format retail	BRP	B1	
Industrial Buffer, spot zoning	B3B and B4		
Industrial	B3, B5, B6, B7	B2 and B2A (Izone)	B3*
Industrial and office	B3B, B4, B4T and B8		
Industrial Office and limited retail			B2
Education and Research facilities		B3	

*denotes spot zoning.

This table does not include the Christchurch Central City Business Zone.

For detailed rules and types of uses allowed in specific zoning refer to the relevant District Plan.

IMPACT OF THE EARTHQUAKES

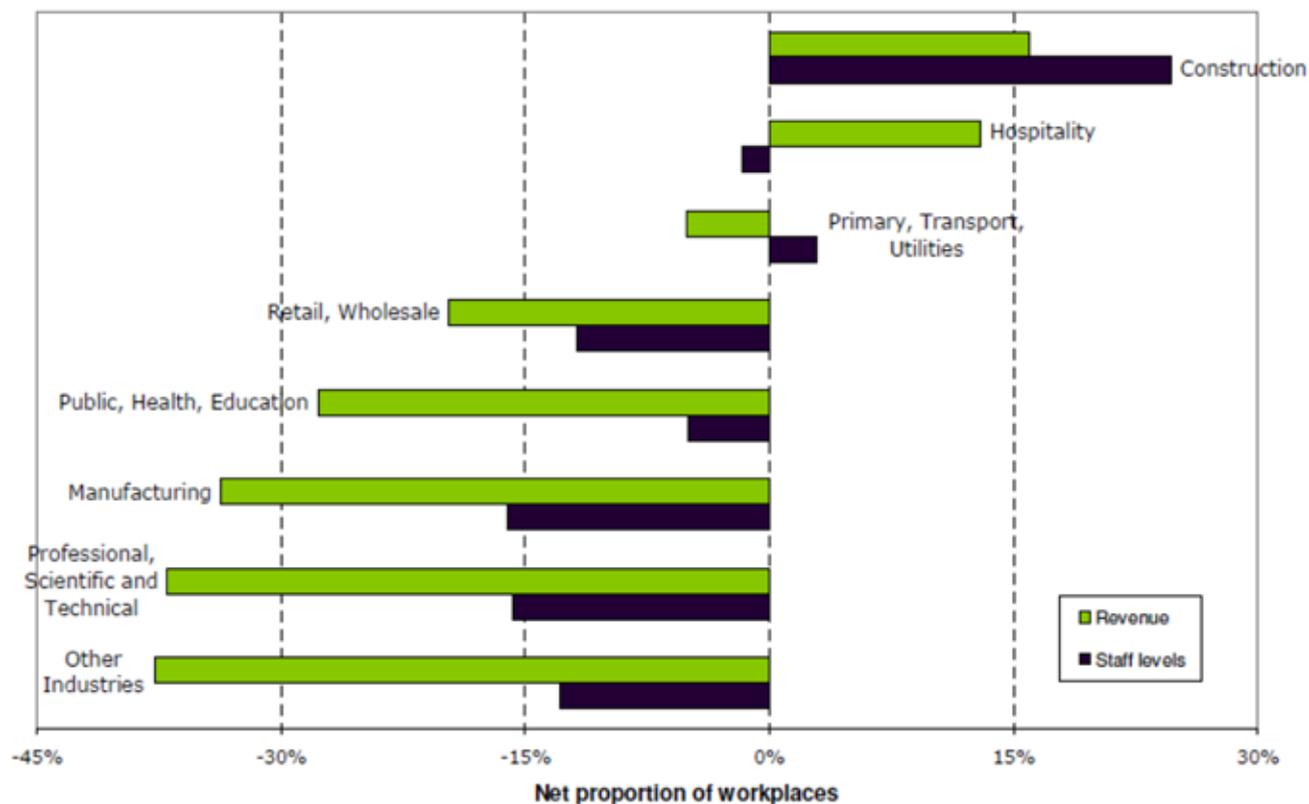
98. The earthquakes have had a major impact on business activity in greater Christchurch, in addition to the unprecedented impact caused by the closure of the CBD area. The damage to business premises and communities in the area has caused business interruptions, business relocations (temporary, permanent and on-going), business failures and impacts on the movement of goods and people for employment purposes.
99. Nevertheless, business and employment activity levels have proved remarkably resilient. Official data from Statistics NZ Business Demography Statistics and the Canterbury Economic Indicators show that many of the measures of economic performance have returned to, or are now exceeding levels prior to the earthquakes. The Tourism Sector is still considerably affected by the earthquakes due to a significant reduction in tourist accommodation capacity and a fall in guest nights spent in the region from 361,000 in September 2010 to 265,000 in September 2011²⁸.
100. In December 2011, the Department of Labour (DoL) published the results of a Canterbury Employers Survey undertaken in September-October 2011, covering the territorial areas of Christchurch City and the districts of Selwyn and Waimakariri²⁹.
101. Figure 1 below shows the net impact on workplace staff and revenue levels due to the earthquakes by eight industry groups. This graphic shows the net positive or negative direction of change, but the survey did not seek information on the magnitude of the change in relation to staff and revenue levels.

28 Employment Opportunities in Canterbury: Canterbury Employment and Skills Board (December 2011)

<http://www.cesb.org.nz/workspace/downloads/employment-opportunities-in-ca-4ef1136c5bb33.pdf>

29 A Changing Landscape: The Impact of the Earthquakes on Christchurch Workplaces (December 2011) <http://www.dol.govt.nz/publications/research/earthquakes-impact-in-christchurch-workplaces>

Figure 1: Net impact on workplace staff and revenue levels due to the earthquakes by eight industry groups.



102. As the results are reported as a net figure it is important to note the impact was not equal among employers within each industry group and geographical location will be a key determinant.
103. This DoL survey data also needs to be considered in relation to the Statistics NZ Household Labour Force Survey employment figures that show the annual percentage change in employees by industry sector in Canterbury to September 2011.

Table 2: Employment in Canterbury Annual % Change: Household Labour Force Survey September 2011

	Canterbury Annual % Change
Agriculture, Forestry and Fishing	-13.3%
Mining, Electricity, Gas, Water and Waste Services	-47.4%
Manufacturing	-1.0%
Construction	18%
Wholesale Trade	-10.2%
Retail Trade	-12.9%
Accommodation and Food Services	-35.9%
Transport, Postal and Warehousing	-9.5%
Information Media and Telecommunications	-44.8%
Financial and Insurance Services	-8.3%
Rental, Hiring and Real Estate Services	-44.3%
Professional, Scientific and Technical Services	-7.6%
Administrative and Support Services	10.0%

Public Administration and Safety	11.9%
Education and Training	-7.6%
Health Care and Social Assistance	3.0%
Arts and Recreation Services	-29.4%
Other Services	-4.6%
Total All Industry	-8.0%

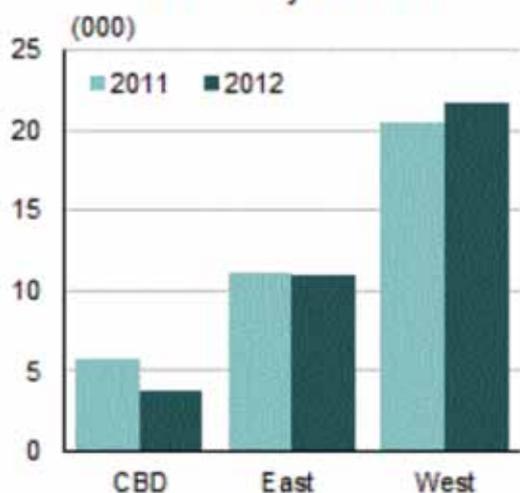
104. Recent Statistics NZ Business Demographics data released for February 2012 for Christchurch show the changes in the number of business locations and employees were more pronounced in some industries than in others. Some of the more affected industries (at the detailed ANZSICo6 class level) are highlighted below (data relates to all the Christchurch territorial authority):

Sector	Business locations	Employees
painting and decorating services	up 37.5 percent, to 470	up 83.3 percent, to 1,200
house construction	up 11.2 percent, to 1,190	up 49.3 percent, to 2,200
other construction services	up 14.5 percent, to 130	up 38.9 percent, to 500
auxiliary insurance services	up 19.8 percent, to 280	up 13.0 percent, to 500
cafes and restaurants	down 19.1 percent, to 550	down 14.7 percent, to 4,700
pubs, taverns, and bars	down 13.5 percent, to 120	down 3.1 percent, to 1,300
accommodation	down 8.8 percent, to 320	down 35.9 percent, to 2,100

105. An analysis by industry (at ANZSICo6 subdivision level) showed between February 2011 and February 2012 the number of business locations and employees in the western suburbs had increased across most industries – substantially for some. The reverse was true in the CBD for nearly all industries. Some highlights in February 2012 were:

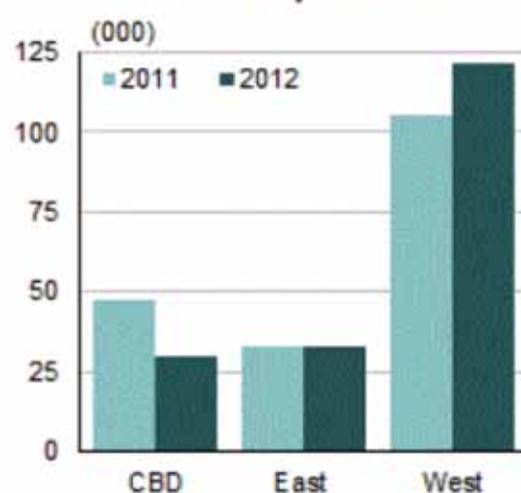
- The building construction industry had 2,500 employees (up 41.9 percent) in the western suburbs.

Number of business locations in Christchurch by zone
At February 2011–12



Source: Statistics New Zealand

Number of employees in Christchurch by zone
At February 2011–12

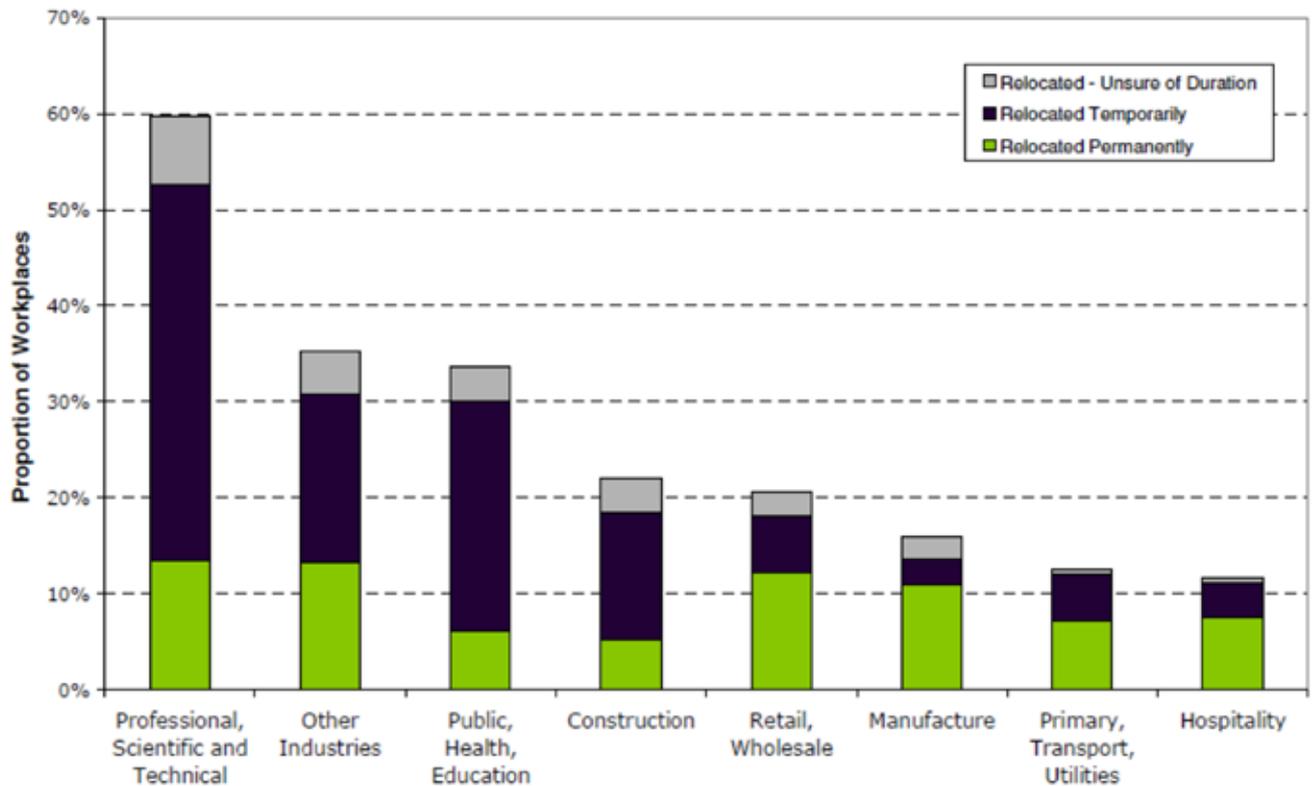


Source: Statistics New Zealand

- Construction services had 4,500 employees (up 24.1 percent) in the western suburbs.
- The number of employees in food and beverage services dropped 2,400 (76.7 percent) in the CBD but increased 1,500 (32.0 percent) in the western suburbs.
- The number of employees in the professional, scientific, and technical services industry fell 57.4 percent (to 2,400) in the CBD but rose 71.8 percent (to 7,300) in the western suburbs.

106. The DoL survey also asked employers whether the business had moved to a new location and if the move was permanent, temporary or uncertain at that time. This is shown in Figure 2 below.

Figure 2: Proportion of workplaces that relocated due to the earthquakes by eight industry groups.



107. Many employers may still need to make business relocation decisions, particularly businesses with large and expensive machinery and/or those requiring specific resource consents in relation to their business activities.

3.1 DEMAND FOR BUSINESS LAND

108. To assess the medium-term demand for business land it is helpful to consider the anticipated growth by industry group. A model, known as the 'Economic Futures Model', was produced in 2006 for the Christchurch City Council and the Canterbury Development Corporation. This provides an indication of those sectors where growth is forecast through to 2031. This model is being updated to reflect the likely longer-term impacts of the earthquakes, and potentially expanded to cover the greater Christchurch area. Nevertheless, the pre-earthquake sectoral growth projections for changes in FTEs in Christchurch are reproduced in Table 3 below and can provide a useful input into business land demand assessments.

Table 3: Top 20 Sectors in Christchurch City by Employment (Full Time Equivalent's)

	Sector	2006	2031	2006-2031 % change
1	Business services	20,712	32,462	57%
2	Retail trade	21,998	27,721	26%
3	Health and community services	20,017	22,771	14%
4	Construction	11,851	18,972	60%
5	Accommodation, restaurants and bars	9,272	17,881	93%
6	Wholesale trade	12,025	16,892	40%
7	Education	12,160	15,593	28%
8	Machinery and equipment manufacturing	5,402	15,435	186%
9	Cultural and recreational services	4,456	7,502	68%
10	Personal and other community services	4,737	6,644	40%
11	Other food manufacturing	3,390	6,062	79%
12	Central government	5,305	5,985	13%
13	Air transport, services to transport and storage	3,968	5,981	51%
14	Communication services	4,241	5,240	24%
15	Road transport	3,502	4,642	33%
16	Sheet and fabricated metal production manufacturing	2,769	4,381	58%
17	Textile and apparel manufacturing	3,760	3,716	(1%)
18	Real estate	2,828	3,625	28%
19	Printing, publishing and recorded media	2,607	3,600	38%
20	Finance	2,280	2,895	27%

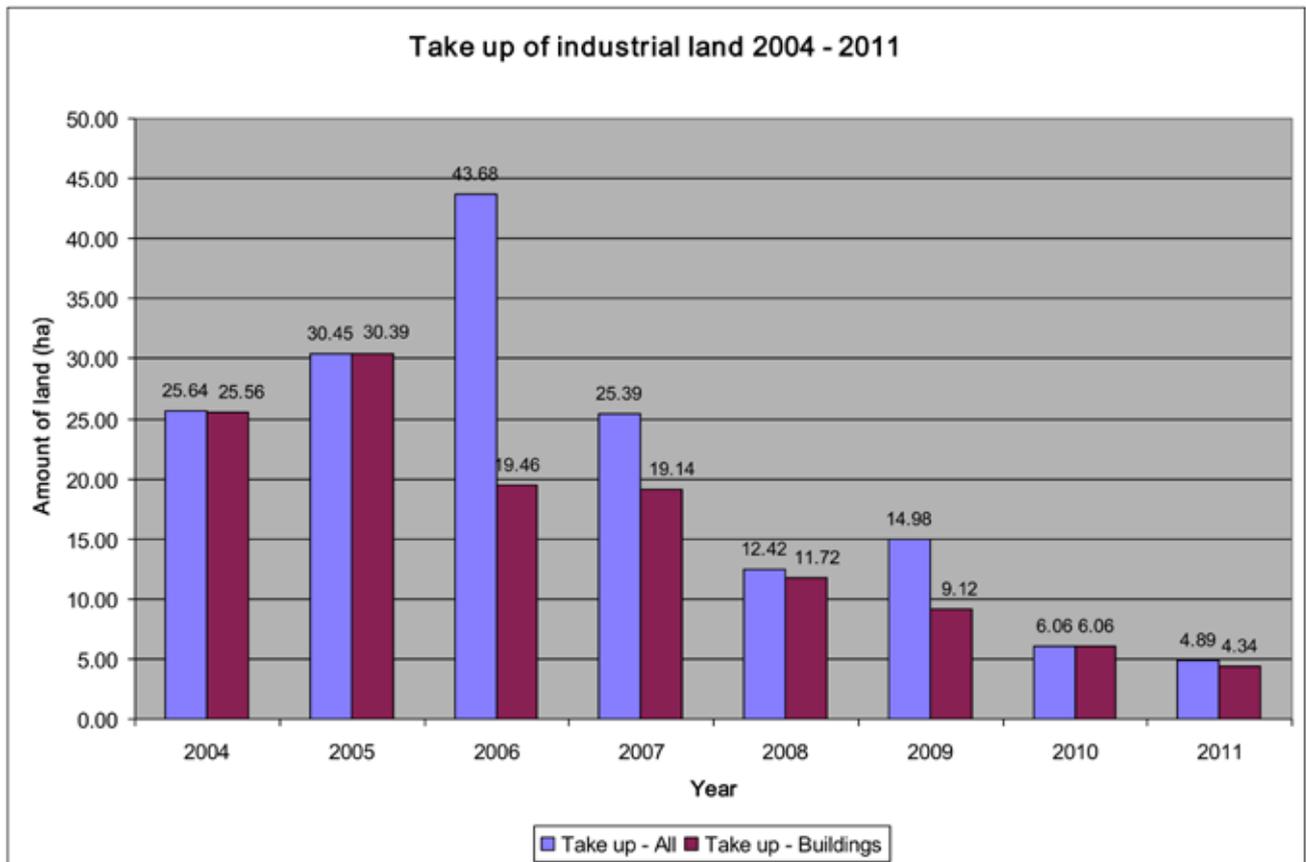
109. This sectoral employment growth translates to demand for additional business land. Different industry groups have different employee to floor-space ratios and their activities relate to different business zones within council district plans.

3.1.1 DEMAND FOR INDUSTRIAL BUSINESS LAND

110. While recognising the potential additional demand expected in the short to medium term arising from the rebuild activity, the past levels of business land take up provides a complementary measure for forward planning.

111. The Industrial Vacant Land Register (VLR) for Christchurch City records the take up rates of new development, for both buildings and areas for roads and reserves. Over the period 2004-2011 the average take up of industrial land was 20.44 ha per annum (including buildings, roads and reserves), with the average amount of land taken up for the construction of buildings alone being 15.72 ha per annum. This is shown in Figure 3 below.

Figure 3: Take up of vacant industrial land 2004 – 2011 in Christchurch City



112. Applying the average take up level of 20.44 ha per annum (including buildings, roads and reserves) a total of 306.6 ha is required within Christchurch City over the next 15 years using this methodology (or alternatively for average take up rate for buildings alone of 15.72 ha per annum, a figure of 235.8 ha).
113. Over the last five years the average take up rate for I-Zone Southern Business Hub in Selwyn has been between 12-15 ha per annum. In the last year this figure doubled to around 30 ha with anecdotal evidence suggesting some businesses are relocating from Christchurch City. There are no constraints on future development within I-Zone.
114. WDC uptake is in the order of 1ha per annum due to a very limited supply of serviced industrial land. The district has seen a significant pre-commitment to take up of 10ha in the last 18 months due to completion of servicing.

3.1.2 DEMAND FOR COMMERCIAL LAND

115. Commercial development needs over the next 10-15 years will be significantly influenced by the vision and successful implementation of the CCRP. Early indications are that many businesses displaced from the CBD will move back into the new concentrated 'Core' and the rejuvenated environment and commercial floor space indicated by that Plan.
116. Outside of the CBD, retailing is driven primarily by changes in the population and household base and therefore the likely catchment, market size and retail expenditure levels for each centre.
117. Christchurch City Council is currently preparing a Centres Policy and Commercial Strategy to update work undertaken in 2010/2011 but not finalised prior to February 2011. While this is

anticipated to address the broader role and functions of centres it will assist future demand for the retail activity as this correlates closely with the nature of respective centres.

118. In Selwyn, it is estimated sustainable retail floor space growth in the ‘southern sector’ catchment of the District could be 97,000m² by 2026 and a total of 210,000m² by 2041, from the current level of 85,000m². The assessment states this does not equate directly to the floor space that should be provided, due to residents’ retail expenditure occurring in Christchurch City and elsewhere (and which is currently a relatively high figure of around 75%).
119. The same study estimates office growth in this ‘southern sector’ catchment of the District to be in the order of 13,000m² by 2026 and a total of 30,000m² by 2041. It is expected that Rolleston will accommodate between 65 to 75% of this growth. The Lincoln Structure Plan estimates 8,600m² retail space and 8,600m² office space will be needed by 2041.
120. Town Centre strategies in Waimakariri District have been completed for Rangiora and Kaiapoi. The Rangiora Town Centre (RTC) strategy estimates retail floor space growth needs from 26,000m² to 46,000m² and the Kaiapoi Town Centre (KTC) strategy from 13,900m² to around 20,000m². For office development demand the RTC identifies office growth of 20,000m² and the KTC office growth of around 3,000m² through to 2031.
121. 120. A Woodend/Pegasus Development Strategy is currently underway. The Pegasus development provides for 5 ha of retail and town centre facilities with the overall 8.8 ha development plan area in the town.

3.2 SUPPLY OF BUSINESS LAND

3.2.1 SUPPLY OF INDUSTRIAL BUSINESS LAND

122. The annual Christchurch Industrial VLR identifies the level of vacant land³⁰ already zoned for industrial activities across the City, and so potentially available to meet market demand. Recognising that a proportion of vacant land is required by business for storage or other activities, a more prudent measure might be to subtract that land from any analysis, leaving ‘unutilised’ or ‘bare’ land.
123. As at June 2011 there was 271.67 ha of vacant land in the Christchurch Business 3, 3B, 4, 4P, 4T, 5, 6 and 7 zones. Of the 271 ha, 148.64 ha was bare land. Table 4 below presents this breakdown of vacant land by zone and area as at June 2011 but then adds in land zoned since June 2011 (shown in italics). This boosts the vacant land figures to 435.67 ha and 312.64 ha respectively.

Table 4: Amount of zoned and vacant industrial business land in Christchurch by zone and area as at June 2011, plus three areas rezoned since June 2011.

Zone	Total area	Vacant	% Vacant	Bare	% Bare
Business 3	215.42	4.57	2%	1.43	1%
Business 3B	58.44	2.33	4%	1.04	2%
Business 4					
East	36.20	2.23	6%	0.25	1%

³⁰ ‘Vacant Land’ is defined as areas of land unaffected by existing buildings, proposed buildings granted Building Consent, new roads and reserves, and designations. It includes whole sites that are vacant and partially vacant sites, which may be used for the storage of goods, vehicles e.g. truck and trailer units, and materials or are otherwise not utilised.

South East	139.12	23.33	17%	17.07	12%
South West	104.41	16.76	16%	4.15	4%
North	50.69	4.78	9%	3.72	7%
North west	58.29	2.18	4%	2.18	4%
Inner suburbs	10.19	0.31	3%	0.00	0%
Wigram (CB4)	43	43		43	
West	255.09	51.6	20%	47.89	19%
B4 Subtotal	653.97	101.18	15%	75.27	12%
Business 4P	45.87	5.33	12%	3.76	8%
Business 4T	16.54	0.76	5%	0.76	5%
Business 5					
East	128.22	13.88	11%	4.88	4%
South East	115.41	10.18	9%	4.80	4%
South		4.56		4.56	
North	64.46	6.86	11%	6.86	11%
West	285.03	17.97	6%	9.96	3%
Inner suburbs		0.25		0.07	
South Hornby (CB9)	41	41		41	
South West	337.42	102.12	30%	58.98	17%
B5 Subtotal	930.55	155.80	17%	90.1	10%
Business 6	187.69	57.45	31%	53.18	28%
Business 7	64.99	28.24	43%	7.12	11%
Business 8 (CB6)	80	80	100%	80	100%
Total (ha)	2,253.47	435.67	19%	312.64	14%

124. When the larger vacant land areas within Selwyn and Waimakariri districts are included with the above information from the Christchurch City area, as shown below in Table 4a, a total figure for vacant zoned industrial business land within greater Christchurch is around 626 ha.

Table 4a: Amount of larger zoned and vacant industrial business land in Selwyn and Waimakariri by area, at June 2012

Area	Total area	Vacant	% vacant
Selwyn			
Rolleston (I-Zone)	189	111	59%
Lincoln (Denwood)	13.4	13.4	100%
Total Selwyn (ha)	202.4	124.4	61%
Waimakariri			
Rangiora (Southbrook)	131.3	55.7	43%
Woodend (Ravenswood)	10.3	10.3	100%
Total Waimakariri (ha)	141.6	66	47%

125. In addition to existing zoned land, future Greenfield (primarily industrial) business land is identified across greater Christchurch within PC1 to the RPS. This land, shown in Table 5 below, still requires

rezoning but has been accommodated within strategic and infrastructure planning processes of the three territorial authorities.

Table 5: Amount of identified future Greenfield business land in Greater Christchurch (ha) and planning status³¹

	Christchurch	Selwyn	Waimakariri	Status
NWRA	100			Council plan change processes underway (including assessment of Airport SPAZ zone policy framework) to rezone three areas within NWRA to B4 and B4T
CB1	98			Private plan change (PC79) expected early 2013 for 11 ha rezoning to B4 and Council plan change process underway to establish ODP for entire site (PC82)
CB2	111			Council plan change process underway to establish ODP for site
CB7	60			Council plan change process underway to establish ODP for site
CB8	19			Private plan change (PC35) lodged, awaiting further information
NWRA	tbc			Investigations signalled for post 2015
SR16		33		No activity to date, still availability in existing I-Zone Masterplan Stages
SR17		122		No activity to date, still availability in existing I-Zone Masterplan Stages
SR18		48		Investigations signalled for post 2015
SR19		66		Investigations signalled for post 2015
WW5			8	No activity to date (part of MR873)
WK7			10	Private Plan Change notified November 2012 for new B5 zone (larger floorplate trades)
Total (ha)	388	269	10	
Total (ha)	667			

126. The total identified future industrial business land across greater Christchurch combines vacant land (626 ha) with land identified for potential future zoning (667 ha), which equates to 1293 ha.
127. The above information has not included data relating to the Special Purpose (Airport) Zone, or SPAZ, for Christchurch International Airport. This zone currently provides for airport related activities, the zone's purpose being for "activities clearly associated with operations and associated functions of the airport and aviation". There is a large amount of vacant land in the SPAZ (144ha at June 2012), which supports cargo and freight companies that would otherwise locate in industrial business areas of the City. One area, known as Dakota Park (80ha) is currently undergoing development and recent Commissioner decisions in relation to the types of business activities which could be located in the SPAZ have identified the need to provide a clearer policy framework for the SPAZ and/or specific areas within it such as Dakota Park. Should the outcome of this policy review widen the range of business activities which can locate in the SPAZ then the vacant land within this area would be additional industrial business land provision available to the market.

³¹ Identified within Proposed Change 1 to the Regional Policy Statement

3.2.2 SUPPLY OF COMMERCIAL LAND

128. The existing RMA policy framework of the three territorial authorities is to manage the location of commercial activity through a ‘centres approach’ aimed at consolidating retail and office activity primarily within sub-regional or district centres and zones. For Christchurch, this includes the CBD, sub-regional centres (Hornby, Papanui/Northlands, Riccarton/Westfields, Shirley/The Palms, and Linwood/Eastgate) and a number of large format retail centres and suburban office parks. For Selwyn and Waimakariri Districts these centres relate to the main towns of Rolleston, Lincoln and Prebbleton and Rangiora, Kaiapoi and Woodend/Pegasus respectively.
129. This policy approach is also supported by PC1, which identifies 15 Key Activity Centres (KACs) across greater Christchurch. The role of KACs is to be a location for future commercial development, with community facilities including transport hubs, and higher-density housing.
130. Pre-earthquake retail floor space data for some larger centres, excluding the CBD, is shown in Table 6 below. This does not account for the expansion of Riccarton Mall by around 30%.

Table 6: Retail floor space in larger centres in greater Christchurch

Centre	Total Occupied Retail	Vacant	Total Floorspace
Sub-regional	163,976	3,547	167,523
Hornby	21,776	246	22,022
Papanui/Northlands	39,407	728	40,135
Riccarton/Westfields	56,517	798	57,315
Shirley/The Palms	22,352	506	22,858
Linwood/Eastgate	23,925	1,269	25,194
Large Format	81,718	2,062	83,780
Belfast Northwood/Supa Centre	19,067	881	19,948
Cranford St	2,561	-	2,561
Moorhouse Ave	19,733	-	19,733
Homebase Shirley	4,161	1,181	5,342
Tower Junction	28,139	-	28,139
District Towns			
Rolleston			13,737
Lincoln			6,487
Prebbleton			1,614
Rangiora			26,000
Kaiapoi			13,900
Woodend			3,000 -subject to full retail survey

131. The CCRP identifies a number of precincts to focus various future CBD activities, including a retail precinct within the area bounded by Hereford Street, Lichfield Street and Manchester Street. Investor proposals for comprehensive block developments have been submitted to the Christchurch Central Development Unit (CCDU) and have the potential to significantly improve retail in the central city.

132. Outside the Central City, major new provision for retail activities has been rezoned as part of the Belfast Styx Centre development (PC22). The Belfast Styx Centre plan change became operative in November 2012 and allows additional retail floor space of 20,000m² (not exceeding 10,000m² up to 2017).
133. The CCRP made amendments to the City Plan to focus larger new office developments within a Central City Business Zone but allow for smaller stand-alone offices of up to 450m² throughout the wider Central City Mixed Use Zone.
134. Outside the Central City significant office development occurred over the last few years in some industrial zones, including around Addington and along Sir William Pickering Drive. Prior to the earthquakes vacancy rates were relatively high though uptake from displaced CBD businesses has led to near full occupation of available office space.
135. In addition to retail, the Belfast Styx Centre allows for additional office floor space of 12,000m² (with thresholds of 3000m² up to 2015 and 8000m² until 2020).
136. The draft Central City Plan, prepared by the Christchurch City Council, proposed restrictions on development outside the Central City to protect the CBD as a consolidated business hub. Those protections have not been adopted in the amendments to the District Plan contained in Appendix 1 of the CCRP. The CCRP, together with the anchor projects and amended regulatory framework, provides a compelling case for continued investment in the Central City. It is not considered necessary or desirable to restrict suburban development to achieve the aspirations of the CCRP.
137. Many of these suburban centres have the capacity to expand, often through more intensive redevelopment within the existing footprint, to accommodate future retail and office needs.

3.3 POTENTIAL CONSTRAINTS ON THE SUPPLY OF BUSINESS LAND

138. Areas identified as vacant, including recently zoned business land, may not be available for all or certain types of business activities for a number of reasons including availability of supporting infrastructure, constraints on the activities suitable for specific sites and whether the land is actively being marketed by the landowner.

3.3.1 INFRASTRUCTURE

139. The availability of infrastructure is a key constraint on some industrial-zoned land, effectively limiting the types of activities occurring. Examples include the Business 6 zoned areas at Chaney's and north of Johns Road, between Sawyers Arms Road and Greywacke Road, and Business 7 zone at Wilmers Road that are without reticulated wastewater infrastructure. This limits the types of approved activities in these areas to dry industry that has no discharge of wastewater (or trade waste).
140. Other land identified for business but not yet zoned is also dependent on the timing of infrastructure capital programmes. This is primarily in the Christchurch area and includes Greenfield business areas CB1, CB2, CB7 and CB8 identified above, with infrastructure availability linked to wider trunk wastewater upgrades (Western Interceptor and Northern Relief programmes).
141. The provision of supporting transport infrastructure, including public transport and active modes of travel, also impacts on the availability and suitability of business land supply. The protection of, and provision for, strategic infrastructure needs to be integrated with business land supply.

3.3.2 ACTIVITIES

142. In addition to the types of business activities restricted by other district council zoning rules (covered in section 3) some industrial business land areas are not suitable for industrial activities which could compromise natural resources, particularly contaminating Christchurch's drinking water by inappropriate development over the unconfined aquifer to the west of the City.

3.3.3 RELEASE OF BUSINESS LAND

143. In addition to sufficient future provision for business land in the right locations, business also needs appropriate tenures and floor plates to be brought to the market at the right time and for the right price. These issues are in the control of the land developers and in Christchurch there have historically been a small number of 'big players'. I-Zone in Rolleston, the future Waterloo Business Park in Islington, and developments by others have broadened the landowning contingent but the market remains heavily influenced by the decisions of a few large companies.

APPENDIX 1 – MINISTERS DIRECTION

Direction to Canterbury Regional Council to develop a Land Use Recovery Plan for greater Christchurch

Pursuant to section 16(4) of the Canterbury Earthquake Recovery Act 2011 (“the Act”), the Minister for Canterbury Earthquake Recovery gives the following notice.

Notice

1.0. Title

This notice is a direction to the Canterbury Regional Council to develop a Land Use Recovery Plan.

2.0. Direction

Pursuant to section 16(1) of the Act, I direct the Canterbury Regional Council to prepare a Recovery Plan to deal with the following matters within greater Christchurch:

2.1. Geographic extent

The Recovery Plan will focus on the metropolitan urban area and towns stretching from Lincoln and Rolleston in the south to Rangiora and Woodend in the north, including Christchurch City (and to the extent necessary, on across-boundary matters relating to residential land use and transport, this would include the area covered by the Christchurch Central Recovery Plan).

2.2. Matters to be dealt with –

- A. Identification of the location, type and mix of residential and business activities within specific geographic areas necessary for earthquake recovery, including
 - i. the priority areas to support recovery and rebuilding in the next 10 to 15 years, and
 - ii. enabling and informing the sequencing and timescales for the delivery of infrastructure and transport networks and hubs to support the priority areas.
- B. The Recovery Plan will make changes necessary for earthquake recovery to residential and business land use policy and planning provisions and related funding instruments, in order to provide for:
 - iii. the matters in A; and
 - iv. a diverse range of housing types, including social and affordable housing.
- C. To the extent possible in the timeframe for the development of the Recovery Plan, the Recovery Plan will make changes or identify a programme of further work to be undertaken before changes are made, to residential and business land use policy and planning provisions and related funding instruments, necessary for earthquake recovery, in order to:
 - v. provide for intensification of use and comprehensive development on suitable brownfield areas;
 - vi. support the recovery and rebuilding of the network of centres of activity such as the central city, suburban and satellite town centres.
- D. In making these changes consideration is to include avoiding or mitigating the changed or heightened risks of natural hazards.

2.3. The Recovery Plan must state the funding implications of its implementation and indicate the proposed funding sources. This may include the identification of options for different funding sources.

2.4. If the Canterbury Regional Council considers that amendments to documents and instruments prepared under the Resource Management Act 1991, Local Government Act 2002 and the Land

Transport Management Act 2003 may be necessary to implement the Recovery Plan it must state this in the Plan and describe the nature of those amendments. The Recovery Plan may identify programmes of further work to be undertaken before amendments to address specific matters are proposed to it.

- 2.5. The Canterbury Regional Council must ensure provisions of the Recovery Plan are consistent with the Christchurch Central Recovery Plan. Consideration of across boundary issues relating to settlement patterns and transport matters must be developed consistently with the Christchurch Central Recovery Plan. Amendments to the Christchurch Central Recovery Plan shall not be made.
- 2.6. Canterbury Regional Council must have regard to any other Recovery Plans that are in force or being developed. It must consult the Canterbury Earthquake Recovery Authority to ensure that the Land Use Recovery Plan is consistent with, and supports, existing or developing Recovery Plans.
- 2.7. In developing the Recovery Plan, the Canterbury Regional Council will consider the relationship of the Plan with other recovery decision-making processes. The Recovery Plan will inform decision-making in relation to infrastructure provision and associated community services such as public transport, health services, educational facilities and recreational facilities and spaces. The Recovery Plan may not direct or implement changes to these matters.
- 2.8. The following matters may be considered by the Canterbury Regional Council in the development of the Recovery Plan but will not be specifically addressed in the Recovery Plan: recovery of non-land use resources such as water, air, soil, minerals and energy and all forms of plants and animals (being all other “natural and physical resources” as defined in section 2 of the RMA except for land and structures); future use of “red-zoned” land; and long-term provisions for growth and development in greater Christchurch.
- 2.9. In this Direction, “business” or “business activities” means activities that include retail, office, industrial and other commercial and any ancillary activity.
- 3.0. Development of Recovery Plan
Pursuant to section 19(1) of the Act, and having had regard to the matters in section 19(2) of the Act, I have determined that the Land Use Recovery Plan is to be developed in the following manner; including the following consultation requirements:
- 3.1. The Canterbury Regional Council must develop the Recovery Plan through a collaborative multi-agency approach with Christchurch City Council, and Selwyn and Waimakariri District Councils, Te Rūnanga o Ngāi Tahu, New Zealand Transport Agency and Canterbury Earthquake Recovery Authority. This is to ensure that the draft Recovery Plan reflects their needs and perspectives.
- 3.2. Canterbury Regional Council must ensure the draft Recovery Plan reflects to the extent possible the views of greater Christchurch communities generally. Canterbury Regional Council must use targeted stakeholder consultation sessions, at least five community based “open forum sessions” and consultation in a manner agreed with Te Rūnanga o Ngāi Tahu, to achieve this. The Canterbury Regional Council is to determine the exact nature, timing and location of the consultation sessions, except public consultation must not occur over the Christmas/New Year period. There is no requirement to hold public hearings.
- 3.3. The Canterbury Regional Council must prepare and publish a report on all consultation undertaken, including a summary of what was heard during consultation and how it influenced the draft Recovery Plan. The Canterbury Regional Council must provide me with a copy of the consultation summary report when sending me the draft Recovery Plan.

- 3.4. The Canterbury Regional Council must develop a draft Land Use Recovery Plan within seven months after the date of this direction.
- 3.5. The Canterbury Regional Council must ensure that all public information relating to the draft Recovery Plan is freely and easily available.
- 3.6. As required under section 20 of the Act, I intend to publicly notify the draft Land Use Recovery Plan. I will do this after receiving the draft Recovery Plan from Canterbury Regional Council. When I notify the draft Recovery Plan, I will invite comments from the public within a period of a minimum of four weeks.

4.0. Other Recovery Plans

The Christchurch Central Recovery Plan is the only other Recovery Plan in force.

Dated at Wellington this 7th day of November 2012.

HON GERRY BROWNLEE

Minister for Canterbury Earthquake Recovery

Everything is connected

*Facilitating sustainable development
in the Canterbury region*

www.ecan.govt.nz

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