

**If you build it, will they come?**  
*Urban revitalisation in Christchurch, New Zealand: challenges and implementation*

Jason C. Jones  
SID# 49950365  
University of Canterbury, Geog420(CY) - June 2009

---

## **ABSTRACT**

This paper examines the future urban intensification of Christchurch, New Zealand proposed by recent local government policy initiatives. A particular focus is taken on the Central City area, where the intensification goals reflect a significant shift from the existing environment. The rationale behind the introduction of the new initiatives is analysed to understand the merits of intensification in Christchurch specifically. In addition, the potential challenges to the successful implementation of the new provisions are outlined. The paper concludes with recommendations that local government leaders should aim to initiate strong partnerships with key private stakeholders and to revisit the planning and regulatory framework to provide for incentives to stimulate the attractiveness of the more intensive development typology sought.

## **INTRODUCTION**

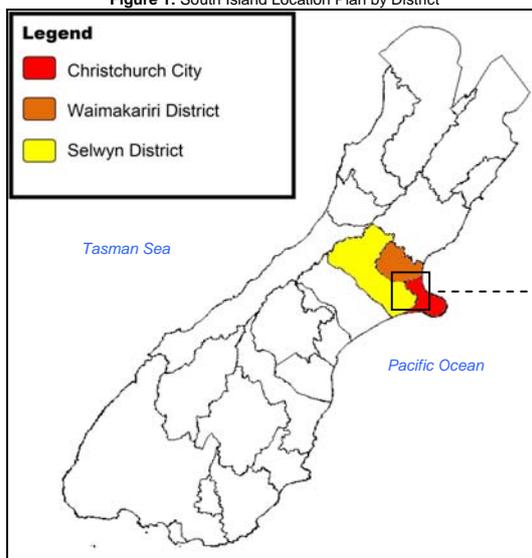
The present work focuses on the planned urban intensification and revitalisation of Christchurch, New Zealand and particularly on key issues associated with the implementation of the City's latest Urban Development Strategy (UDS). Since the mid 1980's, urban growth in Christchurch has predominantly occurred along the fringe of the city's existing urban area (Scallan, 2008). The vast, flat expanse of the Canterbury plains has long served as an inviting canvas for the outward urban expansion of the largest city on New Zealand's South Island. Having identified that this historic decentralisation is not the most sustainable way to manage growth for the city and wider sub-region, however, local decision-makers have recently taken steps to change this trend through the UDS.

This paper will provide a snapshot of the current urban growth context in Christchurch and take an in-depth look at the reasoning behind the UDS, which introduces a marked shift in policy direction away from the status quo. Opponents of the UDS have argued that the goals set by the strategy are unachievable for a number of reasons (Cook, 3). The present work will therefore attempt to quantify the factors that could impede the UDS' success, with a particular focus on the implications for Christchurch's Central City. Finally, it will endeavour to suggest appropriate means of overcoming those challenges.

## URBAN GROWTH MANAGEMENT CONTEXT

A discernible trait of large urban centres across the globe is that outlying districts and counties can become consumed by the outward expansion of those large centres (Brookings Institution, 2000). Christchurch City has exhibited this 'extensification' characteristic in recent decades, also contributing to the rapid growth of townships in the neighbouring districts of Selwyn and Waimakariri (Scallan, 2008). These three municipalities comprise what has become known as the "Greater Christchurch Area" (see figures 1 and 2 below) under the UDS – a classification that is significant as it represents the sub-regional area to be governed by the new growth management ideals promoted by the UDS.

Figure 1: South Island Location Plan by District



(Base Map Source – [www.Ecan.govt.nz](http://www.Ecan.govt.nz))

Figure 2: Enlargement of Greater Christchurch Area



(Source – Greater Christchurch Urban Development Strategy & Action Plan)

The UDS, a major shift in regional policy direction, formally commenced in 2004 when the City and two District Councils joined with the Canterbury Regional Council (ECan) and the New Zealand Transport Agency (then Transit NZ) to form the UDS partnership (Scallan, 2008). Research ensued, and the UDS partners engaged with the local public, proposing four options for the future growth of the sub-region. Namely:

- Business as usual – growth would continue in the existing fashion, spreading out around the Greater Christchurch Area in new subdivisions, with some housing in urban renewal developments and no integration among the City and District Councils' respective growth strategies;
- Option A - encourage intensification in Christchurch City and provide additional new housing areas in the outlying towns in Selwyn and Waimakariri;
- Option B – balanced growth with intensification in existing urban areas across the sub-region, with some expansion into adjacent areas; and
- Option C – dispersed growth away from the existing urban areas (Christchurch City Council *et al*, 2007)

More than 3000 individuals, organisations and groups formally responded by the closing of the submission period in April 2005, with 62% of those submitters favouring Option A (Christchurch City Council *et al*, 2007).

Concurrent to the consultation process, the UDS partners undertook their own analysis of the four Options, assessing each based on its ability to achieve the following criteria:

- Economic wellbeing
- Social wellbeing
- Cultural wellbeing
- Environmental wellbeing
- Robustness and ability to respond and adapt to changing circumstances

Of the four possibilities, Option A scored highest in the partners' analysis (Christchurch City Council *et al*, 2007).

The research and consultation phases culminated in 2007 with the release of the Urban Development Strategy and Action Plan (SAP). As spelled out in the introduction to the SAP, its intent was to provide the primary strategic direction for the UDS area and

establish a basis for all organisations and the community to co-operatively manage growth (Christchurch City Council *et al*, 2007). Though Option A scored highest in both the public consultation results and the analysis undertaken by the UDS Partners, the SAP promoted a blend of Options A and B, suggesting that the intensification extent promoted by Option A was too drastic to be successful (Christchurch City Council *et al*, 2007).

### **Dominant development typology**

In addition to understanding the existing urban growth tendencies in the City at present, it is also relevant to note the dominant housing typology that has occurred. The prevailing form of development within Christchurch has historically produced a pattern that affords a considerable area of private open space on individual residential allotments (Scallan, 2008). This spacious, open suburban character has contributed to the 'Garden City' image with which Christchurch has been labelled (Scallan, 2008). The UDS has recognised the importance of this existing quality, noting that a more intensive development typology must be achieved without loss of local character, including the retention of existing 'leafy' suburbs (Christchurch City Council *et al*, 2007).

### **Changing tack and the proposed benefits of more intensive development**

It is important to note that the SAP is not a component of the formal statutory planning framework for the Region; however, it does form the foundation from which the existing framework is to be amended to accommodate the views promoted therein. To this end, it can be viewed as the "toe in the door" for the UDS Partners to implement change.

Such a significant change obviously requires due justification, so it is critical to understand the reasons that have been outlined by the UDS Partners for the new strategy, and the proposed benefits to a more intensive development pattern. A good starting point is found in the introduction of the SAP itself. It justifies the need for the change in growth management as follows:

*The Strategy reinforces the importance of some familiar issues, including the location of future housing, development of activity centres, providing areas for new*

*employment and the impact of land use change on transportation networks. It also highlights the need to address issues in a more integrated manner. The theme of 'integrated land use, infrastructure and funding' underpins much of the Strategy and associated implementation actions. (p.4)*

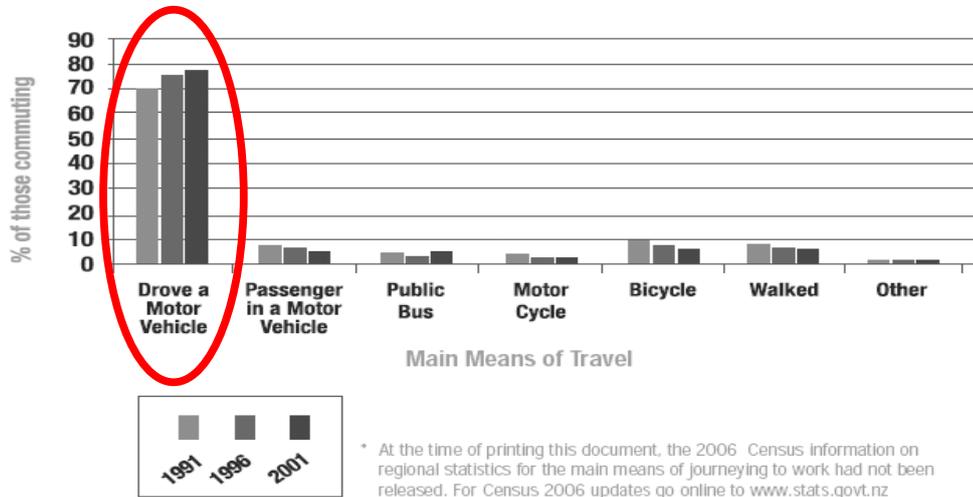
To paraphrase, the SAP promotes (among other things) the integration of land use and transport planning with the provision and maintenance of strategic infrastructure. The argument in favour of integrating planning with infrastructure provision is principally formulated around matters of economic and environmental efficiency. Put differently, the UDS Partners believe that intensification has the potential to reduce long term infrastructure costs (Scallan, 2008). They argue that the costs of the infrastructure necessary to sustain future growth is significant and that there are advantages in extending *existing* services and encouraging a scale of growth sufficient to promote servicing economies rather than meeting the demands of dispersed development (Environment Canterbury, 2009).

The UDS' authors further argue that the links between the size of a future urban footprint and the level of energy used needs to be given weight (Environment Canterbury, 2009). This is reflected in proposed new policy initiatives, which state:

*Urban growth has occurred across Greater Christchurch that has resulted in accelerated energy use, in particular where development has created a more dispersed and fragmented footprint. Smaller and consolidated urban footprints encourage the use of less energy, especially those areas where travel patterns can be reduced through optimum relationships between residential, employment, shopping, educational and recreational activities. (Environment Canterbury, 2009)*

In terms of transport infrastructure, scholars have suggested that the rising demand for residential development at Christchurch's urban fringe has led to an increase in car use and lengthening journeys (Buchanan et al, 2006). Recent studies have shown that Christchurch has the highest car ownership rates of any city in New Zealand, and (as seen in Figure 3) that over three quarters of the working population commutes to work via private vehicle (Christchurch City Council & Environment Canterbury, 2006).

Figure 3: Mode of "Journey to Work" for Canterbury



Source: Christchurch City Council & Environmental Canterbury, Metro Strategy 2006/2012.

These traits carry with them a perception of both the inefficient use of transport infrastructure, and of a relatively high release of greenhouse gases through vehicular emissions. This creates an environmental imperative to reduce the overall number of vehicles on the road, and a social health / economic imperative to make better use of the city's road network. The UDS partners believe that intensification will curtail this problem, suggesting that people living in Christchurch's future intensification areas may have a lesser need for a car which may, in time, translate into lower overall car ownership (Scallan, 2008).

Demographic transition is another key driver in justifying the need for change. Christchurch City has placed a large emphasis on the forecasted ageing of its population as the "Baby Boomer" generation has now reached retirement age. The Council has suggested that this will be a major challenge for it and other major cities across the globe, and that young residents must be continuously attracted to the area to prevent the City from becoming a giant impoverished rest home ("Inside the Bob & Tony Show", 2010). In response to this, the Council has placed a great deal of stock into transforming the Central City Area into a more vibrant, safe and attractive environment where people will want to live, work and play year-round (Christchurch City Council, 2010 [1]). This revitalisation strategy is to play hand-in-hand with the concurrent intensification strategy

(via the SAP) which seeks to target 60% of the future population growth to 2041 within existing urban areas (Marryatt, 2009). The UDS Partners argue that the ageing population and the related decrease in average household size will increase the desirability of higher density housing, and therefore support demand for more intensive development (Environment Canterbury, 2009).

The UDS Partners give further credence to their proposed new growth management ideals by proclaiming the benefits of a compact and consolidated urban form on the natural environment. Some of these benefits include the reduced risk to contaminating groundwater by avoiding construction atop sensitive aquifers, the reduced consumption of productive agricultural land in close proximity to the city, and the reduced volume of runoff due to less impervious surfaces, including the increased stormwater management needs of urban areas in Christchurch's unique geographic setting (Scallan, 2008). Consolidation of existing urban settlements is the form of development the UDS Partners argue will most likely minimise the adverse effects of travel for work, education, business and recreation, minimise the costs of new infrastructure and avoid adverse effects of development on sensitive landscapes, natural features and areas of high amenity (Environment Canterbury, 2009).

These arguments in favour of consolidation are not innovative concepts, nor are they unique to the Christchurch model. Similar ideals can be found through a historical review of various planning policy documents, particularly from British and American cities. One of the more prominent examples of modern consolidation strategies is the concept of 'smart growth.' Proponents of smart growth present it as higher density development, located near major transportation corridors as an alternative that might help mitigate the harmful effects of sprawl (Anonymous, 2003). They further argue against urban decentralisation, suggesting that cities simply cannot continue to grow in a traditional sprawling fashion – it costs too much, harms the environment too much, and leaves central city areas and transport networks in a state of disrepair (Anonymous, 2003).

Similar approaches have been adopted in Australia as well, where urban consolidation policies have been promoted to address concerns about excessive resource use in existing low density urban areas (Bishop & Syme 1995). State governments there have

developed an environmental argument to rationalise their policies which justifies their position by arguing that environmental benefits would flow from a consolidation policy, adding to the benefits it was claimed would result from more efficient provision and use of infrastructure (Troy,1996). Quite clearly, this philosophy bears a strong resemblance to the ideals promoted by the UDS Partners.

### **Proposed Change No. 1**

The first major attempt to codify the UDS into the statutory planning framework came via an amendment to the Canterbury Regional Policy Statement. Labelled as ‘Proposed Change 1’ or ‘PC1,’ this strategic document was publicly notified in July of 2007. Since that time, it has undergone the required public submission and hearing process, culminating in the release of the Council’s Decision on submissions received in December of 2009. At present, pre hearing meetings have being undertaken in the Environment Court between dozens of appellants to PC1 and ECan<sup>1</sup>.

The main themes which underpin the SAP have been transferred into PC1. By way of summary, the key Objectives promoted by PC1 include:

- the consolidation and intensification of existing urban areas in the Greater Christchurch Area, subject to:
  - the overall maintenance of the Area’s character, identity and amenity; and
  - the development and protection of the Area’s strategic infrastructure.
- the integration of land use planning with the provision and funding of infrastructure (including transport infrastructure); and
- the recognition of both existing and future key activity hubs.

The way in which the consolidation and intensification objectives have been sought to be achieved is by PC1 adopting an approach of utilising what are described as “Urban Limits” within which any urban activity must be situated, whether it be residential or business-related. The inclusion of Urban Limits carries with it the consequence that land within the Urban Limits has the possibility of development over the next 35 years,

---

<sup>1</sup> Though the UDS is the basis for PC1, ECan alone is the formal ‘author’ of PC1 given that it amends the Regional Policy Statement (which falls under the jurisdiction of ECan to prepare and maintain)

whereas land outside the Urban Limits has no such possibility of development for urban activities for 35 years (Crosby *et al*, 2009). Though the Urban Limit contains a number of “Greenfield<sup>2</sup>” sites to cater for new suburban growth, the remainder of growth is targeted into existing urban areas. This is thought to have the net effect of halting the decentralisation of growth, and refocusing development ‘inward.’

In addition to the Urban Limit tool, PC1 allocates specific households numbers to each new Greenfield area and to each existing urban area to be intensified. These allocations are accompanied by a minimum target density which must be achieved through new developments and redevelopments depending on location. In general, this follows an increasing density from suburb to Central City, where the following minimums are to be achieved:

- 10 household units per hectare (hh/ha) in Greenfields Areas in Selwyn and Waimakariri District;
- 15 hh/ha in Greenfields Areas in Christchurch City;
- 50 hh/ha for intensification development within the City Centre Area;
- 30 hh/ha for intensification development elsewhere (Environment Canterbury, 2009).

Because of PC1’s many implications for land use, development rights, and economic development for the Region, the proposal has stirred significant debate amongst the various planning professionals, developers, government entities, and individuals who have an interest in the future urban growth of the Greater Christchurch Area. One of the more controversial components of this debate is the effect that PC1 is to have on Christchurch’s Central City Area, particularly on the overall influx of new residents to be located in this area and the 50hh/ha minimum redevelopment density required to accommodate them. Some land development experts have argued that the specific intensification targets for this area simply cannot possibly be achieved (Cook, 2009). This is seen as a major issue which will require action from the City Council to ensure it

---

<sup>2</sup> Greenfield land, for the purposes of this report, is land which is presently zoned for Rural use. In the PC1 context identified Greenfield sites within the Urban Limit are to eventually be rezoned for urban use.

meets its intensification obligations under the UDS and PC1. It is this specific issue of which this paper will now turn its focus.

## RESEARCH QUESTIONS

In addition to understanding the rationale behind the adoption of urban intensification in the UDS and PC1, it is likewise critically important to quantify the challenges the City Council faces in achieving the goals it is responsible for under this new policy regime. In particular, focus has been directed towards the intensification targets set for the Central City.

The intensification targets of the UDS and PCI aim for a Central City population of more than 30,000 by 2041. Geographically speaking, the Central City Area is contained within the “Four Avenues” of Christchurch – being Bealy to the north, Fitzgerald to the East, Moorhouse to the South, and Deans to the West (see Figure 4). This area also contains Hagley Park, the main public open space for the Greater Christchurch Area.

Figure 4: Central Christchurch

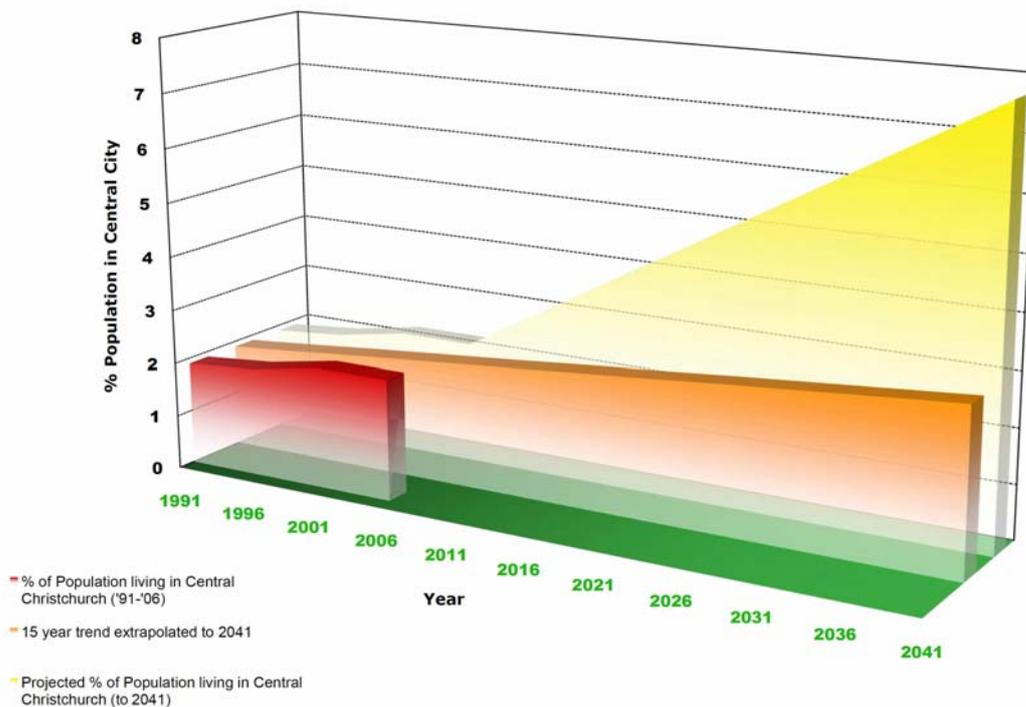


(Image Source – Google Earth)

PC1 has adopted Statistics New Zealand population projections that the population of Greater Christchurch will increase by 135,020 from a 2006 base of 413,500 to 548,520 by 2041. It has also assumed that the number of new households will increase by 74,810 from a 2006 base of 164,100 to total 238,910 by 2041. Of this projection, nearly 14,000 of those new households are to be located in the Central City Area. At a predicted median household average of 1.8 people<sup>3</sup> over the life of PC1, this equates to an increase in population of more than 25,200 people within the Central City to 2041.

Putting this figure into context, it is noted that the population living in the Central City as at the 2006 census was 7,656. This equated to roughly 2.2% of the overall population of Christchurch City at that time (348,435 total residents). If the intensification targets under PC1 are met, this will result in roughly 33,000 out of the City's 445,000 residents living in the Central City – or 7.4%.

**Figure 5:** % of population living in Central Christchurch - actual and projected. Source data from Statistics NZ.



<sup>3</sup> 1.8 people/household is the rate adopted by the PC1 Hearing Commissioners in their recommendations on submissions

The Figure above exhibits the 15-year trend from 1991-2006 of the percentage of Christchurch residents living within the Four Avenues (shown in red). During this period, the percentage changed from roughly 1.95 to 2.20, or a mean annual increase in the shift towards a more intensified Central City of less than 0.02%. The orange curve extrapolates this intensification rate out to 2041. The yellow curve, however, shows the projected growth (assuming a continuous rate) under the intensification targets in PC1. This equates to an annual Central City intensification rate over the 35-year period of 0.15%, nearly an 8-fold yearly increase from the status quo.

As noted above, some experts believe this is unachievable, suggesting that the intensification strategy is doomed to fail, and bound to result in continued demand for outward growth of the City's urban area (Cook, 2009). Herein lies the central question which underpins this research paper – crudely, is it achievable for 'orange' to become 'yellow,' and what steps going forward can the City Council take in order to make sure it is? To answer this question, the present work will dissect the issue into multiple sub-questions, as set out below.

### **Overcoming Historical trends**

The first sub-question relates to the need to alter the pattern of growth, and therefore, the character of the City. As mentioned previously, the expansive nature of the City's present urban form has allowed for a large amount of private open space on residential allotments, which, in turn, has contributed to the 'Garden City' image that Christchurch boasts. There are concerns that garden space on private residential allotments will be minimised through intensification, and that there will be no space for large trees to be established or maintained – this could reduce the perception that Christchurch is a 'green' city and erode the "Garden City" tradition (Scallan, 2008). The question that therefore arises, and one which perhaps should be addressed in greater detail through subsequent research, relates to the readiness of the community to adapt to a more intensive urban environment. In other words, are Christchurch residents prepared to forego historical preferences for larger, stand-alone houses on relatively lower density allotments for developments in the Central City at 50 households per hectare?

### Overcoming Economic Barriers

The second sub-question which arises from this discussion relates to the economic feasibility of the intensification figures. Put differently, will the development typologies which will be required to fulfil PC1 be economically viable? Part of this question is related to the previous issue pertaining to the demand in the Christchurch market for higher density living in the inner city – i.e. if there is no demand for more intensive housing in the Central City, there is unlikely to be developers willing to supply it.

The other component of this question relates to actual construction costs and financing. Under current market conditions, a modest sized, single-level detached house in the outer Christchurch suburbs can generally be built for between \$1200 and \$1400 per m<sup>2</sup> (R Pyne, Personal Communication, April 29, 2010). In contrast, higher density housing in the inner suburbs and Central City costs considerably more. A building of more than 3 stories in these areas can carry additional costs related to fire regulations, sound proofing, and provision of lifts; these and other added expenses can raise the build cost to more than \$2500 per m<sup>2</sup> (R Pyne, Personal Communication, April 29, 2010). Despite costing more to construct, this effect doesn't necessarily translate to a higher sale price or rental fee for the higher density property. As a result, this creates a *disincentive* at present for developers to take on more intensive developments.

A related concern is the difficulty in obtaining financing for the more risky, complicated and costly builds. According to some Christchurch residential real estate market experts, there are very few developers who are able to obtain financing in a manner which will allow a more intensive development to remain viable (P Cook, Personal Communication, March 18, 2010). This raises the question as to what steps (if any) the Council will need to take in order to stimulate interest in those developers which could feasibly obtain the necessary funding – or alternately, what steps should be taken to make funding easier to obtain for those parties which currently fall short.

### Overcoming Development Process Challenges

The final series of sub-questions is ultimately economically focussed as well; however the cost implications are not market driven. Specifically, these are matters which principally relate to the cost of getting planning permission for developments. In New

Zealand, this is managed by the 'Resource Consent' process, as required by the Country's primary planning document, the Resource Management Act (RMA). The provisions of the RMA are given effect to by Regional and City/District Plans, which also take into account specific local environmental management issues (Christchurch City Plan, 2009).

In the Christchurch context, this is primarily managed through the provisions of the Christchurch City Plan (the City Plan). Among other things, the City Plan contains a suite of rules to manage development and land use. These rules are underpinned by specific standards – for example maximum building height and coverage on any given allotment, or controls on the amount of floor space of any new commercial building which can be used specifically for retail purposes – which define the extent of activity or development which can occur as of right. Failure to comply with these standards triggers a requirement to apply for Resource Consent with the Council. As a general principle, developments which breach a high number of standards are more likely to incur a greater cost to the applicant (D McMahon, Personal Communication, May 25, 2010). This increased cost comes from a number of factors, including:

- a requirement to commission increasing numbers of supporting technical reports (for example traffic, landscape, urban design, and/or noise assessments) to ensure that the impact of breaching any standard is not going to lead to a significant adverse outcome for the wider environment; and
- the fact that higher-level resource consents (i.e. those which breach standards with more sensitive environmental thresholds) tend to increase the likelihood of the Council publicly notifying the application (D McMahon, Personal Communication, May 25, 2010). Public notification often carries with it the added cost of a public hearing, which, for major resource consent applications, can endure many months. Hearing costs usually include:
  - the administrative arrangements for the hearing;
  - the preparation of evidence for the applicant's case; and
  - costs incurred for the reporting and attendance at the hearing of Council Officers and Hearing Commissioners.

By the time all of the costs are tallied for the preparation of the resource consent application, and the notification and hearing processes, the applicant could easily have paid in excess of \$100,000 (or even \$1,000,000 in extreme instances), with no guarantee of success (D McMahon, Personal Communication, May 25, 2010). Even still, there is potential for a resource consent decision to be appealed to the Environment Court (either by the applicant, or other parties involved in the notification and hearing process) following the issuance of the Council's decision on the application. This process too can lead to several tens to hundreds-of-thousands of dollars in added cost to the applicant (D McMahon, Personal Communication, May 25, 2010).

It is fair to say that applications for resource consent on the fringe of the urban area are equally susceptible to breaching permitted standards or to requiring notification as applications in the Central City. Notwithstanding this, the issue of relatively high process-related costs is increasingly relevant for intensification in Central Christchurch, where new City Plan design and appearance standards have been proposed for residential uses there (Christchurch City Council, 2010 [2]). The proposal introducing this change, known as Plan Change 53, is intended to improve the design of new residential development in the Central City and the zones located in a ring around the Central City and around neighbourhood centres (Christchurch City Council, 2010 [2]). The provisions contained in Plan Change 53 have been introduced in response to concerns raised by residents and professional organisations about the low quality of high-density developments constructed in these areas during the 1990's and following decade and the adverse effects that these developments were having on neighbourhoods (Christchurch City Council, 2010 [2]). The controls have further been justified as a necessary response to the requirements in PC1 to provide for more intensive development that does not compromise the character or amenity of existing areas (Christchurch City Council, 2010 [3]).

While the introduction of Plan Change 53 may increase the overall design outcome of future Central City developments, there are concerns that it will actually discourage development there. By increasing the number of standards in the City Plan, the general view by some developers is that Plan Change 53 will increase both the likelihood of requiring, and the difficulty in obtaining, resource consent. This, in turn, translates to increased costs associated with the consent application process and is a perceived

disincentive to the proposed intensification of the Central City (D Schwartfeger, Personal Communication, February 18, 2010).

It also must be noted that regulatory costs associated with planning permission do not cease at the conclusion of the resource consent process, either. Assuming an application is successful, the developer must then calculate the development contribution it must pay to the Council. Incidentally, this applies to those developments which do not require resource consent as well. The CCC *Development Contributions Policy 2007/09* defines a development contribution as follows:

*A development contribution is a contribution from developers of cash and/or land to fund the additional demand for community facilities created as a result of growth. Development contributions may be required in relation to developments if the effect of the developments (on their own or in combination with another development) is to require new or additional assets of increased capacity and the Council incurs capital expenditure to provide reserves, network infrastructure and community infrastructure. This includes development contributions to pay, in full or part, for capital expenditure already incurred by the Council in anticipation of the developments. (p.6)*

According to Cumming, few issues rile developers more than development contributions, which have soared in the past decade as Councils moved to recover the full cost of providing services such as drainage, footpaths, roading and reserves (Cumming, 2008). Ultimately, however, it is simply one component of the overall financial consideration which developers must presently have regard to when planning a new development project.

In summary, the developer must consider, when determining the economic feasibility of a particular venture, those costs associated with the preparation of the resource consent application, the potential increased costs if that application is publicly notified, and the development contribution levies required in the event that the project successfully obtains consent. Given that the current perception of some developers is that the market for intensive developments in the Central City is low to begin with, and given the riskier, more costly nature of both obtaining consent for and constructing this development typology, the question arises as to what steps the Council may need to take to streamline the planning process or to further incentivise developers to mitigate against these perceived disincentives in order to deliver the more intensive development typology it seeks.

The authors of PC1 appear to acknowledge that there are potential challenges associated with the new intensification goals. This is reflected in the drafting of PC1's Objective 1, which requires that Christchurch City Council adopt initiatives to promote intensification within the existing urban area (Environment Canterbury, 2009). Having identified some of the potential difficulties the Council faces in implementing the intensification targets set by the UDS and PC1, the present work will now turn to identifying the potential solutions to these challenges.

## **DISCUSSION**

### **Methodology**

Before turning to the discussion of potential solutions to the challenges outlined above, it is important to establish the methodological approach taken to come to these solutions. For this work, two primary methods were employed over the period spanning July 2009 to June 2010 – namely:

- a review of national and international examples where:
  - urban containment / intensification strategies have been employed in recent years;
  - local government bodies have provided incentives to stimulate or focus development in particular areas;
  - various methods have been applied to achieve mutually beneficial outcomes for developers and local government bodies;

and

- via interviews with Christchurch developers (Russell Pyne and David Schwartfeger from Ngai Tahu Property Limited), real estate experts (Peter Cook from Simes Limited), urban planners (David McMahon from Resource Management Group Limited), and Council officers (Maurice Roers from Christchurch City Council).

## Initiatives currently being taken

### *Revitalisation Strategy*

It is important to note that the City Council has already initiated work streams which it believes will help deliver on the intensification targets. Perhaps the most well-advanced method the Council is currently employing is an overall revitalisation of the Central City with the intent of ensuring that the whole Central living concept is more attractive and desirable, so as to entice developers to turn their focus to intensification projects, either instead of, or in addition to, their more traditional areas of greenfield development (Crosby *et al*, 2009). The need to maintain a vital Central City was given voice in the late 1990's when a broad based call went out to reverse the alarming decline of the area within the Four Avenues (Christchurch City Council, 2006). Recognising the important role and responsibility that the Council has for providing a vibrant Central City, a process was begun in 1999 to develop a strategic vision for the Central City and to initiate efforts aimed at its revitalisation (Christchurch City Council, 2006).

The Council revisited its revitalisation aims in 2006 and again in 2010 with new actions being introduced at each stage. The most recent "Action Plan" was informed by a Gehl Architects study commissioned by the Council in late 2008 (Gehl Architects, 2010). This 'Public Spaces Public Life Study' identified the factors which are believed to be hindering the vitality of the Central City, and contained a substantial suite of recommendations as to how to remedy them. Many of these recommendations have in turn become actions for the Council to achieve over the subsequent 20 years, and include a large focus on:

- making the Central City more catered to pedestrians and cyclists, rather than private vehicles;
- improving the quality of the public environment and public transport system; and
- enhancing and connecting the public spaces in the central city (Christchurch City Council, 2010 [1]).

While these initiatives could certainly improve the overall quality of public space in the Central City and make it a more pleasant environment to be in, it is unclear as to whether or not this will be an effective tool in encouraging increased residential demand in the area.

### *Consolidation Strategy*

The consolidation proposed to be implemented by the use of the Urban Limits in PC1 is itself a method to target growth back into the Central City. This is based on the precept that the more land that is provided in terms of greenfield provision, the less likely it is that intensification and consolidation will occur (Crosby *et al*, 2009). PC1 has therefore set out to restrict the total amount of undeveloped land to be released for urban development to 2041. The Commissioners who wrote the Council Decision on PC1 have described this as a refocusing of the attention to an upgraded and more attractive central city area, to attract the interest of those with the requisite capital to develop on an intensified basis, rather than on a continuing basis of unlimited expansive greenfields supply (Crosby *et al*, 2009).

Should the Urban Limits and PC1 be deemed acceptable to the Environment Court through the present appeal process, it is clear that the outward expansion of Christchurch City will be halted and growth will be limited to the approved greenfield areas and the existing urban area only. Nevertheless, there is no guarantee that this will translate to an increased demand for Central City residential developments.

### **Potential new initiatives**

Despite the obvious positives which can stem from these and other initiatives currently used by the City Council to encourage Central City residential development, it is considered that these methods may fall short in delivering on the overall density targets set out by PC1 and the UDS – particularly in light of the concerns raised by developers that the intensification goals for the Central City do not marry with their views on the economic feasibility and market demand associated with achieving those goals. To this end, it is argued that more proactive measures should be taken by the Council to incentivise more intensive development within the Central City. The manner in which this is proposed to be achieved is via:

- a realistic and productive employment of public-private partnerships (PPP) with suitable stakeholders; and
- a review of the statutory planning process (in specific regard to development in the Central City) to explore possible streamlining measures.

### *Why Partnerships?*

Partnerships are considered to be a key component to the Council's implementation toolkit for the future intensification of Central Christchurch. Though there has been little apparent evidence of this in practice since the conception of the UDS, the SAP calls for the enabling of PPP to support the implementation of the Strategy (p. 16). To this end, the UDS Partners have signalled a willingness to use partnership as a method, and the imperative now lies with the City Council's ability to activate such relationships in the specific context of Central City intensification.

It will firstly be important to establish a framework upon which future partnerships can be based. Though there are many ways to define a partnership, the definition used by the United Nations (as cited in Payne, 1999) employs an appropriate set of criteria as a starting point, which suggests that the following is implicit:

- *An active and deliberate process, even if the partners are active in not doing something (such as imposing controls on land...);*
- *A process of working together in a mutually-interdependent fashion often with shared responsibilities... The most successful partnerships are those in which each partner derives something beneficial, and gains access to something it does not have from the other partner or partners in the relationship;*
- *A common agenda and goal, even if the interests, benefits and powers of the partners differ;*
- *A relationship in which accountability and transparency are crucial. (pp.4-5)*

In applying these four criteria to the specific outcome sought in this instance, being the intensification of the Central City, the framework for future partnerships can begin to materialise. Firstly there should be an understanding that both Council and developer(s) must take an active role in the facilitation of the intensification strategy. Secondly, a clear structure should be established which divvies up roles and responsibilities, recognising that a mutually beneficial outcome can be achieved by working together. Thirdly, there must be buy-in from all sides that the intensification strategy is the primary aim, with any auxiliary goals (i.e. sustainable design, affordable housing provision, etc) being set on a project-by-project basis. Finally, there must be a protocol established whereby all parties are held accountable for their respective responsibilities.

While self interest is an essential element, partnerships should be seen as offering each party benefits that cannot be achieved when operating independently (Payne, 1999). A first step therefore is for actors from each sector to understand and acknowledge the legitimate interests of the other. (Payne, 1999). In this instance, the Council's driving force is obviously the delivery of more intensive development in the Central City. For the private sector, however, the primary interest is usually to maximise returns on investment while minimising costs and risks (Payne, 1999). Current developer apathy towards Central City intensification suggests that the Council will need to therefore provide for a lower risk, higher profitability environment for developers to take interest.

Payne suggests that the traditional antipathy between public and private sectors will require a major shift on both sides – for public sector agencies to become more market sensitive and for the private sector to become more socially responsive (p, 9). Durand-Lasserve (as cited in Payne, 1999) offers that risks and profits should not be restricted to their conventional economic and financial meaning for the parties involved (p.135). Moreover, the notions of social and environmental risks and profits, as well as the notion of sustainability, should be taken into account, even if they cannot be accurately quantified. [Duran-Lasserve, 1999]. For Central City intensification in Christchurch, this could require developers to provide housing typologies that they would not otherwise construct, and Council to provide tangible market incentives to make that development typology profitable for developers.

Dewar (as cited in Payne, 1999) submits that a key factor which makes the prospect of widespread partnerships a real possibility is the abundance of publicly-owned land held by different governmental and parastatal institutions (pp. 87-88). This is a particularly useful concept within the Christchurch context where the City Council has recently purchased several parcels of land in the Central City, arguing that the sites are extremely desirable and key to the success of the Council's plans for urban intensification under the UDS ("City Council Spends", 2008). It is considered that the redevelopment of this stock of landholdings could provide ideal opportunities for PPP initiatives. For example, the Council could offer one or more of the newly purchased properties to a developer (or developers) at a reduced purchase price (or *pro bono* if required) with the prerequisite that a specific development typology is constructed. This could then be managed either through conditional sale & purchase agreement or through a PPP where all parties have a continued role in the development, management

and/or eventual sale/lease of the end product. To this end, the Council has options as to the role it wishes to play in the development of its key sites, whilst simultaneously disseminating its financial liability to other partners.

#### *Potential Partnership Initiatives*

There are several partnership forms which the Council could promote. One particular model suggested is the concept of 'participatory development,' where developers are effectively invited into a public initiative (Adusumilli, 1999). The public sector, as the prime mover, offers a platform, which includes a legal base, a conducive policy environment, development guidelines, macro-level infrastructure inputs and in some cases, avenues of resource mobilisation, while the developer provides investment capital at construction stage and reaps capital gains through sale or lease arrangements (Adusumilli, 1999). This model has been used internationally to incentivise developers into providing affordable housing to low income families, but also is considered an appropriate mechanism in the Christchurch context to provide for more intensive Central City development.

It is worth noting that the City Council has had some reasonable success with a PPP in the recent past. The nearly completed Civic Offices, Christchurch City Council's new headquarters and presently New Zealand's 'greenest' building, has been managed via a joint venture between Ngai Tahu Property Limited (the property management arm of one of New Zealand's largest indigenous tribes) and a Council-owned subsidiary company known as VBase where each partner owns 50% of the project (R Pyne, Personal Communication, April 29, 2010). Under this arrangement, costs are shared 50/50 (with the exception of a development management fee charged by Ngai Tahu), and rental income from the future Council lease will be split 50/50 (R Pyne, Personal Communication, April 29, 2010). According to development representative Russell Pyne, Ngai Tahu is very interested to pursue other PPP opportunities both with local and central government entities. Council Planner, Maurice Roers has also signalled that the Council is willing to continue partnership opportunities with both Ngai Tahu and other stakeholders. With willingness evident from both private and public sectors, there remains a need to turn this willingness into progress.

### *Transferable and Purchasable Development Rights*

The Council could also consider implementing Transferable Development Rights (TDR) and/or Purchase of Development Rights (PDR) schemes. While TDR schemes might not be deemed as a formal partnership arrangement *per se*, they have been deemed an effective tool to intensify use of land in areas which are desirable from a planned urban development view (Adusumilli, 1999). In TDR programs, the development rights severed from a “sending site” are generally transferred to a “receiving site” and used to allow more development at the receiving site than could otherwise occur (Kaplowitz *et al*, 2008). Millward (as cited in Kaplowitz *et al*, 2008) defines the sending sites as the areas that a community has identified as worthy of preservation and the receiving sites are areas where the community has determined are capable of accommodating additional development and with both areas for preservation and areas for development, TDR offers a planning policy that essentially redirects development rather than simply preventing development and thus recognises that there are areas where development must be allowed and even encouraged (p.379). Though TDR schemes are often pigeonholed as complex in practice, if properly established in Christchurch, such a programme could offer viable opportunities to separate the development rights from the ownership of land where development is to be discouraged, and make them transferable to lands where it is considered desirable (Adusumilli, 1999). In Christchurch, sites to discourage development could include those containing significant heritage buildings or items, those located in significant natural landscape areas, or (in the case of PC1) land located outside the Urban Limits.

As MacHemer and Kaplowitz have argued, where communities continue to experience the social, economic and environmental effects of low-density development, the need to develop and understand innovative growth management techniques increases (p.792). They suggest that although communities will continue to wrestle with development and preservation pressures, evidence shows that TDR programmes seem uniquely suited to address both of these seemingly contradictory goals. (p.793)

Even if TDR schemes are not preferred by the Council or stakeholders, other partnership schemes should still be explored with landowners in the ‘areas to be discouraged’ outlined above. These groups or individuals could be ideal partners for a participatory development scheme or PDR programme. For example, the Council could establish a PDR scheme where it invites any number of parties in the discouraged areas to invest in

specific development projects in the Central City. Under this example, a “win-win” scenario could eventuate where landowners are given new development rights or opportunities (where their prior options may have been limited or difficult), and the Council can achieve its intensification goals whilst mitigating fiscal risk through multiple capital injections from private entities.

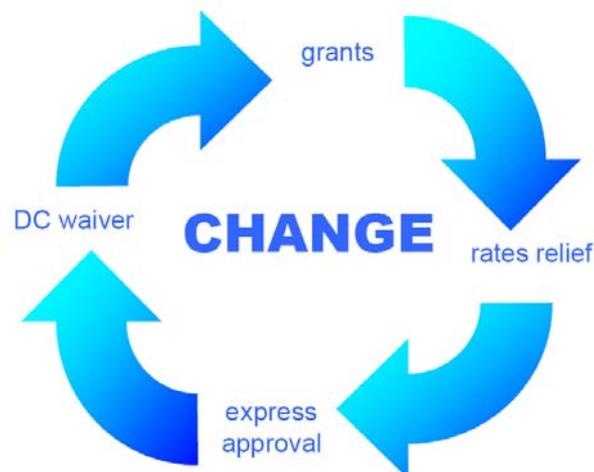
#### *Amendments to Regulatory Framework*

Some argue that the need to make planning and land management more responsive to market pressures is a prerequisite to the formulation and implementation of a partnership approach (Payne, 1999). To this end, it is believed that to increase the marketability of more intensive development in Christchurch, the Council could streamline planning and regulatory processes, thereby incentivising developers to engage in this preferred development typology.

Examples of this could include new policy and rule regimes where any number of the following could be employed, subject to developments achieving certain intensive development typologies:

- waivers of development contributions;
- express planning approval processes with no public notification;
- special rates categories with relatively lower annual contributions required; or
- Council-funded grants, which could be focussed on particularly significant projects (for example, those which achieve an exceptional degree of sustainability in design).

**Figure 6:** *Planning and Regulatory Initiatives.*



As with partnerships, these suggestions are somewhat of a deviation from the status quo, and therefore will require commitment from the Council to initiate. Nevertheless, it is debateable whether the status quo will be in of itself sufficient to achieve the outcomes sought. In that regard, the above represent additional techniques which can be employed to enhance implementation success.

## **CONCLUSION**

Local authorities have recently taken steps to make the Greater Christchurch Area a more intensive urban environment with the aim of making the city more vibrant, more economically viable and more environmentally sustainable; however, many in the development community are concerned that the methods suggested by the local authorities to achieve this will not meet the desired goals.

In light of this, the present work has attempted to understand both the rationale behind the new Urban Development Strategy, and the potential challenges local authorities face in implementing it, with a particular focus on the intensification goals set for Central Christchurch. Having identified that many of the impediments pertain to market and economic disincentives for developers, this paper has recommended an approach to overcome these challenges through the use of partnership schemes and through the streamlining of, or introduction of incentives to, existing planning processes. These tools, in tandem with the City Council's commitment to upgrading the condition of the Central City through its revitalisation initiatives could conceivably provide the successful amalgamation of ingredients to answer Christchurch's intensification critics in the affirmative – if you build it, yes, they will come.

In concluding, it is hoped that the above can provide an impetus to initiate change where and when it is needed to assist in the delivery of the Central City intensification goals which are sought for the next 30 years.

## REFERENCES

---

- Adusumilli, U 1999, Partnership approaches in India, In Payne, G 1999, *Making Common Ground: Public Private Partnerships in land for housing*, pp. 17 – 45, Intermediate Technology Publications, London
- Anonymous 2003, 'What is Smart Growth?', *The Next American City*, vol.1, p.5
- Bishop, J B & Syme, G J 1995, 'The Social Costs and Benefits of Urban Consolidation: A Time Budget / Contingent Valuation Approach', *Journal of Economic Psychology*, vol. 16, pp. 223 – 245.
- Brookings Institution (Centre on Urban & Metropolitan Policy) 2000, *Moving Beyond Sprawl*, Brookings, Washington D.C.
- Buchanan, B, Barnett, R, Kingham, S & Johnston, D 2006, 'The effect of urban growth on commuting patterns in Christchurch, New Zealand' , *Journal of Transport Geography*, vol.14, pp. 342–354.
- Christchurch City Council 2006, *Central City Revitalisation Strategy: Stage 2*, CCC, Christchurch
- Christchurch City Council 2010 [1], *A City for People: Action Plan: Christchurch 2010*, CCC, Christchurch
- Christchurch City Council 2010 [2], *Christchurch City Plan Proposed Change 53: Living 3 and Living 4 Zones (brochure)*, CCC, Christchurch
- Christchurch City Council 2010 [3], *Christchurch City Plan Proposed Change 53: Living 3 and Living 4 Zones: Section 32 Assessment*, CCC, Christchurch
- Christchurch City Council & Environment Canterbury 2006, *Metro Strategy 2006-2012. Where is Metro taking you?*, CCC & ECan, Christchurch.
- Christchurch City Council, Environment Canterbury, Selwyn District Council, Transit New Zealand & Waimakariri District Council 2007, *Greater Christchurch Urban Development Strategy and Action Plan 2007*, CCC, ECan, SDC, TNZ & WDC, Christchurch
- Christchurch City Plan*, Retrieved March 15, 2009, from <http://www.cityplan.ccc.govt.nz>
- City Council spends \$17 million on David Henderson properties (2008, August 8), *The Press*, Retrieved from <https://www.stuff.co.nz>
- Cook, P J 2009, *Statement of evidence of Peter John Cook for Prestons Road Limited*, Presented at Hearing of Submissions and Further Submissions on Proposed Change No.1 to the Canterbury Regional Policy Statement, Retrieved December 15, 2009, from <http://www.ecan.govt.nz>.

- Crosby, R D, Allan, S J & Withy, A 2009, *Volume 1 of 4: Commissioners Recommendations on Submissions and Further Submissions: Proposed Change No. 1 (Including Variations 1, 2, 3, & 4) Chapter 12A, Development of Greater Christchurch*, Environment Canterbury, Christchurch
- Cumming, G (2008, March 29). Sorting out the Building Blocks. *The New Zealand Herald*. Retrieved from <http://www.nzherald.co.nz>
- Dewar, D 1999, South Africa: two case studies of partnerships in the provision of land for housing, In Payne, G 1999, *Making Common Ground: Public Private Partnerships in land for housing*, pp. 64 – 89, Intermediate Technology Publications, London
- Durand-Lasserve, A 1999, Partnerships between public sector and informal actors: Some comments on Asian and sub-Saharan African case studies, In Payne, G 1999, *Making Common Ground: Public Private Partnerships in land for housing*, pp. 134 – 152, Intermediate Technology Publications, London
- Environment Canterbury 2009, *Volume 2 of 4: Council Decision on Submissions and Further Submissions: Proposed Change No. 1 (Including Variations 1, 2, 3, & 4) Chapter 12A, Development of Greater Christchurch*, ECan, Christchurch
- Gehl Architects 2009, *Christchurch 2009: Public Space Public Life*, CCC, Christchurch
- Inside the Bob & Tony Show (2010, May 1), *The Press*, pp. C2 & C5.
- Kaplowitz, M D, MacHemer, P & Pruetz, R 2008, 'Planners' experiences in managing growth using transferable development rights (TDR) in the United States', *Land Use Policy*, vol. 25, pp. 378 – 387.
- MacHemer, P L & Kaplowitz, M D 2002, 'A Framework for Evaluating Transferable Development Rights Programmes', *Journal of Environmental Planning and Management*, vol. 45, no. 6, pp.773 – 795.
- Marryatt, T 2009 'Urban Sprawl is not a valid option for city', *The Press*, Perspective, October 10 2009, p. A13.
- Payne, G 1999, *Making Common Ground: Public Private Partnerships in land for housing*, Intermediate Technology Publications, London
- Scallan, J 2008, *Intensification in Christchurch*, CCC, Christchurch.
- Troy, P, 1996, *The Perils of Urban Consolidation*, The Federation Press, Sydney.