

# Consultancy Report

## 173 Pound Road, Templeton Christchurch Industrial Land Market

### Prepared For

NTP Development Holdings Limited

### Address

PO Box 13-0060  
Christchurch 8141

### Attention

Dean Christie

Date of Consultancy: 11 June 2025 | Ref: 20951/GS



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## (i) Executive Summary

### Assignment Details

<b>Instructing Party</b>	<b>Property Address</b>	173 Pound Road, Templeton, Christchurch
NTP Development Holdings Limited PO Box 13-0060 Christchurch 8141 Attention: Dean Christie	<b>Reliant Parties</b>	NTP Development Holdings Limited Novo Group Limited Chapman Tripp
	<b>Purpose of Report</b>	Rezoning Due Diligence
	<b>Date of Consultancy</b>	11 June 2025
	<b>Date of Inspection</b>	11 June 2025
	<b>Report Completed</b>	13 June 2025

### Research Overview

The purpose of this research report is to investigate and understand the vacant industrial land market in Greater Christchurch and to quantify supply and demand and the impact that is having on the market and to assist in completing rezoning due diligence in relation to the property at 173 Pound Road and the surrounding area, Templeton, Christchurch (the Site).

### Research Conclusions

#### Industrial Land Supply

The Colliers Vacant Land Survey (CVLS) quantifies the current vacant land supply in Christchurch City at 474.8 ha, and in the Greater Christchurch area including Waimakariri District and Selwyn District at 786.9 ha.

#### Industrial Land Take-up

The Christchurch City Council Vacant Land Register (CCC VLR) over a 20 year period produced a confusing land take-up pattern which in part is explained by rezoning events which provided sudden increases in supply. It is difficult to gauge the long term average take-up, however utilising the results from 2018 to 2022, the average take-up for that four year period was at or about 58.1 ha pa within the CCC boundary. Average take-up over the final two years to 2022 increased to 84.0 ha pa.

Colliers completed a CVLS throughout Greater Christchurch in September 2020 and June 2024 which indicates a take-up of 57.4 ha pa during the last 3.75 years.

#### Industrial Land Market Overview

There is now only a limited supply of vacant industrial land across the Greater Christchurch area with this diminishing supply resulting in significant land price escalation over the last three years where land values have increased by as much as 75% over this period.

We have completed analysis to predict how long the existing vacant industrial land supply in Greater Christchurch will last utilising analysed take-up. Excluding land owned by HMK (16.6 ha), CCC (27.9 ha) and ECan (26.0 ha) and adopting an average annual take-up of 57.4 ha, indicates there is sufficient supply for approximately 12.5 years.

When the NPS competitiveness margin of 20% in the short and medium term is factored in then the adjusted capacity in Greater Christchurch will be exhausted in 10.4 years.

We have completed the same analysis on Christchurch City in isolation. Excluding land owned by HMK (16.6 ha), CCC (27.9 ha) and ECan (26.0 ha) and adopting an average annual take-up of 38.7 ha, indicates there is sufficient supply for approximately 10.5 years. When the NPS competitiveness margin of 20% is factored in the adjusted supply reduces to 8.7 years.

**In summary, whichever methodology is used to analyse the supply of vacant industrial land in Greater Christchurch or just Christchurch City in isolation, the current stock of industrial land will be exhausted in the short to medium term between 8.7 years and 10.4 years.**

We have also completed analysis of the principal industrial zones of IH and IG in Christchurch City and GIZ in Rolleston.

The IH analysis indicates that at a take up rate of 15.1 ha pa there is limited supply/capacity which without rezoning occurring will be exhausted in just 11.6 years.

The IG analysis indicates that at a take up rate of 17.9 ha pa there is limited supply/capacity which without rezoning occurring will be exhausted in 7.7 years.

When the NPS-UD competitiveness margin of 20% in the short and medium term is factored in then the capacity in Christchurch City for IH land in will be exhausted in 9.6 years and the IG land will be exhausted in 6.4 years.

### Major Industrial Land Owners

Rolleston Industrial Holdings (Carter Group) is the largest vacant industrial land owner in Greater Christchurch controlling 153.8 ha or 19.5% of the total followed by Calder Stewart Group (Calder Stewart) with 97.4 ha (12.4%) and Christchurch International Airport (CIAL) with 82.2 ha (10.4%). These three landowners' control 333.5 ha or 42.4% of the market.

### Hornby South/Islington Industrial Land Metrics

The closest comparable industrial land to the Site is Hornby South/Islington. The Hornby South/Islington area is a distinct locality and market in terms of the Greater Christchurch industrial market and is well recognised as the major logistics hub in the city being adjacent to the Christchurch Southern Motorway, and also the by-pass (Pound Road) accessing the Christchurch Northern Motorway together with proximity to Christchurch International Airport, the Christchurch Central City and Lyttelton Port.

In Hornby South/Islington, there is currently 159.4 ha of vacant industrial land comprising a mix of Industrial IH and IG zones.

Industrial land take-up in Hornby South/Islington during the last 3.75 years (to June 2024) was 69.0 ha or 18.4 ha pa. Adopting the take-up rate during the last 3.75 years indicates that supply or capacity will be exhausted in 8.7 years.

Excluding land owned by His Majesty the King (HMK), the supply or capacity will be exhausted in 7.8 years. If a competitiveness margin of 20% for the short-medium term is allowed for the Hornby South/Islington supply or capacity will be exhausted in 6.5 years.

We consider the two most appropriate rezoning options to provide much needed additional capacity in the south west catchment of Hornby South and Islington are the Site at Pound Road and the Templeton South site in Marshs Road. These two sites would provide an additional capacity of 81.9 ha. The addition of this capacity would increase the effective pipeline in Hornby South and Islington after factoring in the NPS 20% competitiveness margin from 6.5 years to 10.2 years.

### 173 Pound Road

The Pound Road Industrial Development and identification of the Site is included in Schedule 2 of the Fast-track Approvals Act 2024. The purpose of the Act is to facilitate the delivery of infrastructure and development projects with significant regional or national benefits.

The Site which is the subject of our consultancy comprises a 59.3 ha block of land zoned Rural Urban Fringe situated on the north western side of Pound Road with frontages also to Waterloo Road, Barters Road and Hasketts Road in Templeton. Located immediately to the south east, on the opposite of Pound Road, is the substantial Waterloo Business Park industrial estate.

The Site is partially subject to medium priority LUC2 classification. In terms of an assessment of the Site under the NPS-UD there are no adverse impacts that reach the threshold of a "sufficiently significant adverse impact" such that they need to be taken into account in terms of an assessment under s 85 of the Fast-track Approvals Act 2024.

The Site is a logical addition to the existing Hornby South/Islington industrial area where there is a shortage of vacant freehold industrial land available for development. The development of the Site would be of significant regional benefit in terms of the Fast-track Approval Act 2024 as it would contribute to satisfying the pent-up demand in this locality.

## Valuer

**Gary Sellars** FNZIV, FPINZ

**Registered Valuer**

Consultant | Valuation & Advisory Services

[NOTE: This Executive Summary must be read in conjunction with the attached report and the details contained therein.](#)

# 1. Introduction

## 1.1 Scope of Work

We have received instructions from Dean Christie on behalf of NTP Development Holdings Limited to complete research and provide consultancy advice to assist in understanding the Greater Christchurch vacant industrial land market and provide evidence for Fast-track consenting purposes due diligence relating to the land at 173 Pound Road, Templeton and the surrounding area (the Site).

We outline in the following subsections key assumptions, limitations and restrictions with regard to this valuation consultancy work. We note further that this valuation consultancy work is undertaken in accordance with the agreed written Scope of Work between the above instructing party and CVAS (CHC) Limited trading as Colliers ('The Company').

The following is a brief summary of the research we have completed for this report:

- Review and summarise the Vacant Land Register (VLR) for industrial land compiled by Christchurch City Council (CCC) to quantify the vacant land supply and historic vacant land take-up.
- Colliers' survey of vacant industrial land (CVLS) in the respective local authority areas.
- Summary of the vacant industrial land market metrics.
- Summary of the vacant industrial land ownership profile.
- Consider whether there is or could be an identifiable unique market for industrial land within the vicinity/locality of the Site and describe that market.
- Assess whether there is sufficient development capacity (as defined in the NPS-UD) to meet demand for industrial land within that locality and market over the short, medium and long term.
- Evaluation of relevant criteria in the NPS-UD and the NPS-HPL.
- Define the important distinction between freehold and leasehold industrial land.
- Define the extent of any shortfall in development capacity within that locality/market.
- Consider, from a market perspective, the relative attributes of the Site in terms of its ability to contribute to that industrial development capacity.
- Consider whether there are other available sites within that market that could also contribute to that industrial development capacity, and the existence (or otherwise) of constraints on realising that capacity.

Colliers regularly surveys the industrial land market in Greater Christchurch including CCC, Selwyn District Council (SDC) and Waimakariri District Council (WDC) areas of the city in order to accurately gauge the supply and demand metrics of the market.

This information is incorporated into this report.

We acknowledge that identification of vacant industrial land does not necessarily equate to land that is available for immediate sale and/or lease. It is difficult to accurately determine this status.

## 1.2 Basis of Consultancy

We confirm that the valuation consultancy has been undertaken within all the requirements of International Valuation Standards (effective 31 January 2025), and the Australian and New Zealand Valuation Guidance Papers (as amended from time to time).

We confirm that the individual valuer who is the signatory to this report is experienced in the location and category of the consultancy subject.

## 1.3 Methodology

In completing the CVLS of the industrial land markets in Greater Christchurch we have completed a roadside inspection of all land which has been further supplemented by use of aerial photographs.

The CVLS treats land that is vacant but utilised for yard based activities as occupied whereas the CCC VLR treats land which is vacant but occupied by yard based activities as vacant.

Significant land areas in Greater Christchurch are occupied by yard based activities which do not involve buildings. These activities comprise a mix of container storage, motor vehicle storage and building materials/construction products storage. These yard based activities are permanent and therefore the land is not available for development and/or sale.

We are of the opinion the CCC VLR methodology in this respect does not accurately portray the real vacant industrial land situation.

The CCC VLR data is however helpful in interpreting long term vacant industrial land take-up as this is the only data available. Land take-up to a large degree is not affected by the vacant land interpretation adopted by CCC.

## 1.4 Information Sources

We have relied upon the following information sources:

- Colliers' vacant industrial land survey 2020 & 2024 (CVLS)
- CCC Vacant Land Register (CCC VLR)

## 1.5 Reliance and Extension of Liability

This valuation consultancy has been prepared for the following intended users and for the following purposes:

- NTP Development Holdings Limited for Fast-track consenting purposes only.
- Novo Group Limited for Fast-track consenting purposes only.
- Chapman Tripp for Fast-track consenting purposes only.

No responsibility is accepted or assumed to any third parties, nor should there be any reliance upon this report by any third party other than the party explicitly noted above without our express written agreement.

This report is confidential between The Company and the above party to whom The Company agrees in writing may rely upon the consultancy report for the purpose stated.



## 2. Industrial Land Data

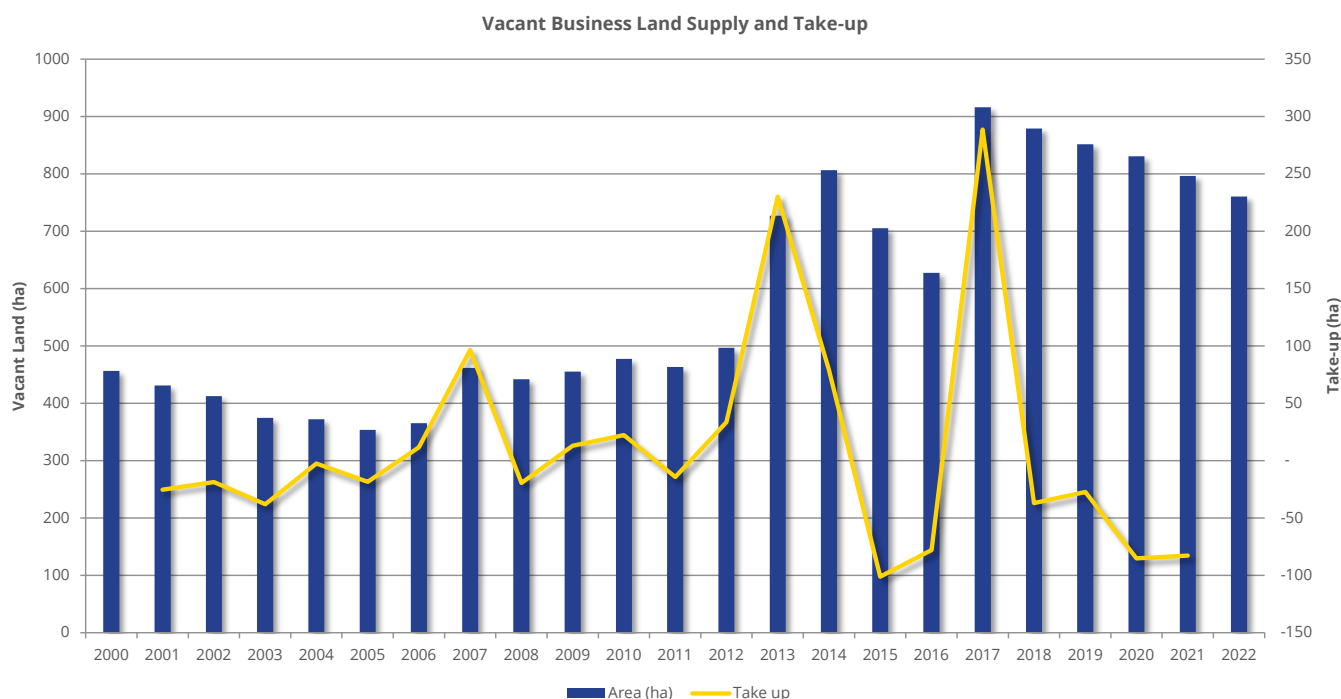
### 2.1 CCC Vacant Land Survey

The CCC maintains a Vacant Land Register (VLR) which monitors the supply of vacant industrial land, which in this case is defined as industrial land which is vacant, with no building improvements, including land that is subject to yard based activities. The CCC VLR was last updated in 2022. The CCC has advised that the VLR is in the process of a major reconfiguration at present and when completed, data will no longer be available to the public and will be kept inhouse.

The following is a summary of the VLR historic supply and take-up of vacant industrial land in Christchurch City from 2000 through to 2022.

CCC VLR - Land Summary		
Date June	Total Area ha	Take-up ha
2000	456.5	-
2001	431.2	25.3
2002	412.5	18.7
2003	374.5	38.0
2004	372.0	2.5
2005	353.5	18.5
2006	365.2	(11.7)
2007	461.6	(96.5)
2008	442.2	19.5
2009	455.2	(13.0)
2010	477.4	(22.2)
2011	463.3	14.1
2012	497.0	(33.7)
2013	727.2	(230.2)
2014	806.5	(79.3)
2015	705.3	101.1
2016	627.5	77.8
2017	916.2	(288.7)
2018	879.2	37.0
2019	851.9	27.3
2020	830.9	85.3
2021	796.5	82.7
2022	760.7	-

The following graph tracks the supply of vacant industrial land and the trend in take-up of vacant industrial land as recorded in the VLR as at June each year in Christchurch City.



Analysis of the historic supply and take-up of vacant industrial land in Christchurch City from 2000 through to 2022 produces a confusing pattern which in part is explained by rezoning events which provided sudden increases in the supply. The significant increases in 2012 - 2014 and 2017 resulted from rezoning events including the Land Use Recovery Plan in 2011 – 2013 and the Christchurch Replacement District Plan in 2017.

Industrial land take-up is difficult to accurately measure given the substantial areas released to the market via the rezoning process.

The latest VLR figures provided by CCC indicate significant take-up of 101.1 ha in 2015 and 77.8 ha in 2016 which we conclude represents a market catch up following the almost dormant period immediately after the Canterbury earthquakes. VLR take-up in 2018 was 37.0 ha, in 2019 it was 27.3 ha, in 2020 it increased to 85.3 ha and in 2021 it was 82.7 ha. Take-up post 2022 cannot be quantified until the VLR is updated and made public.

The average take-up over the last recorded four years to 2022 was 58.1 ha pa and over the last recorded two years of that period it increased significantly to 84.0 ha pa.

## 2.2 Colliers Vacant Land Survey

Colliers completed a vacant land survey of industrial land throughout the CCC, WDC and SDC areas in June 2024. The Colliers vacant land survey (CVLS) involved a physical inspection of all suburban industrial land in Greater Christchurch and identified a total vacant land area in just the CCC area of 474.8 ha. Vacant land is defined by Colliers as land that is vacant with no improvements and which is not utilised for any other industrial related activities, such as yard based activities.

There is a difference of 285.9 ha between the CVLS identified total vacant land area in June 2024 of 474.8 ha and the CCC VLR area as at 2022 of 760.7 ha for just Christchurch City.

The difference between the CVLS and the CCC VLR in Christchurch City can be explained by a number of factors including the time that has elapsed since the CCC VLR was completed as at June 2022 and the CVLS which was completed in June 2024, the exclusion the B3 and B3B land within the CVLS together with the inclusion of vacant land utilised for yard based activities by CCC. For the purposes of this research work we have relied upon the CCC VLR for historic take-up analysis only and relied upon the CVLS for accurate analysis of the existing supply and take-up of vacant industrial land.

We have completed an analysis of the CVLS on a geographic basis in Christchurch City. The following map defines the three geographic areas of North, South West and East. North is broadly defined as all land north of city using the Yaldhurst Road – Riccarton Road – Worcester Street axis and extending in a diagonal line out to New Brighton.

East is defined as all of the land south of the north boundary and east of Colombo Street.

South West is all the remaining land south of the north boundary and west of the east boundary.

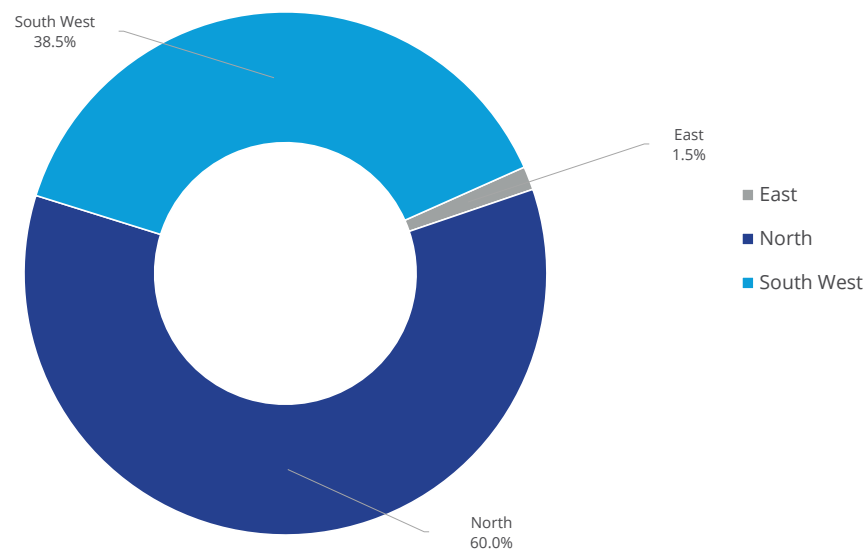
The following map depicts the geographic locations:



### CVLS – Geographic - CCC

Location	Area Ha	Proportion %
East	6.9	1.5%
North	285.1	60.0%
South West	182.9	38.5%
<b>Total</b>	<b>474.8</b>	<b>100.0%</b>

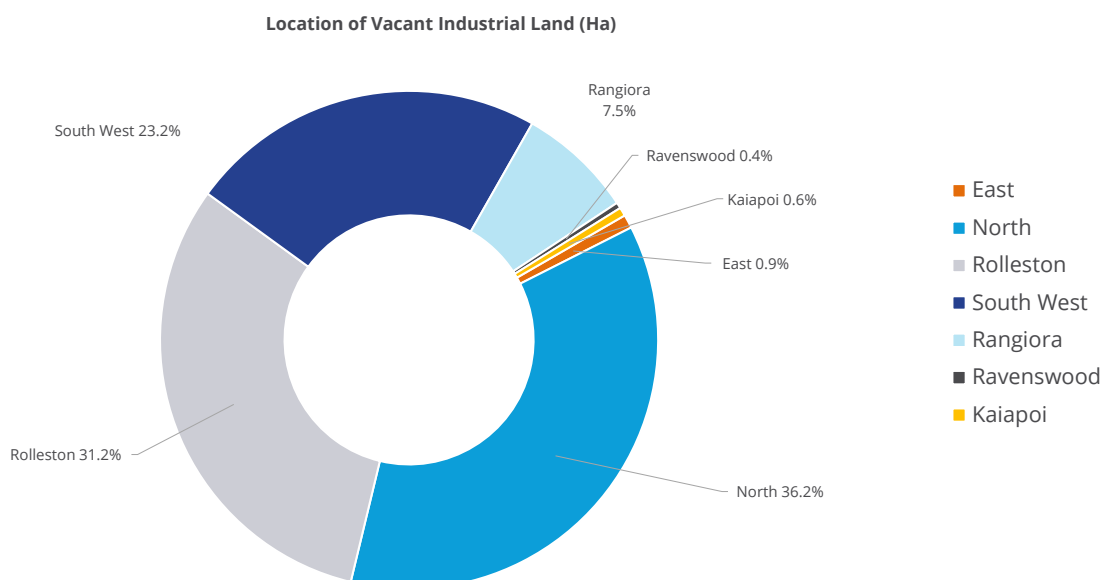
CVLS Geographic - CCC



The following is a summary of the CVLS for Greater Christchurch including land at Rolleston in SDC and land at Kaiapoi, Ravenswood and Rangiora in WDC:

### CVLS – Geographic – Greater Christchurch

Location	Area ha	Proportion %
East	6.9	0.9%
North	285.1	36.2%
South West	182.9	23.2%
Rolleston	245.7	31.2%
Kaiapoi	4.4	0.6%
Ravenswood	3.0	0.4%
Rangiora	58.9	7.5%
<b>Total</b>	<b>786.9</b>	<b>100.0%</b>

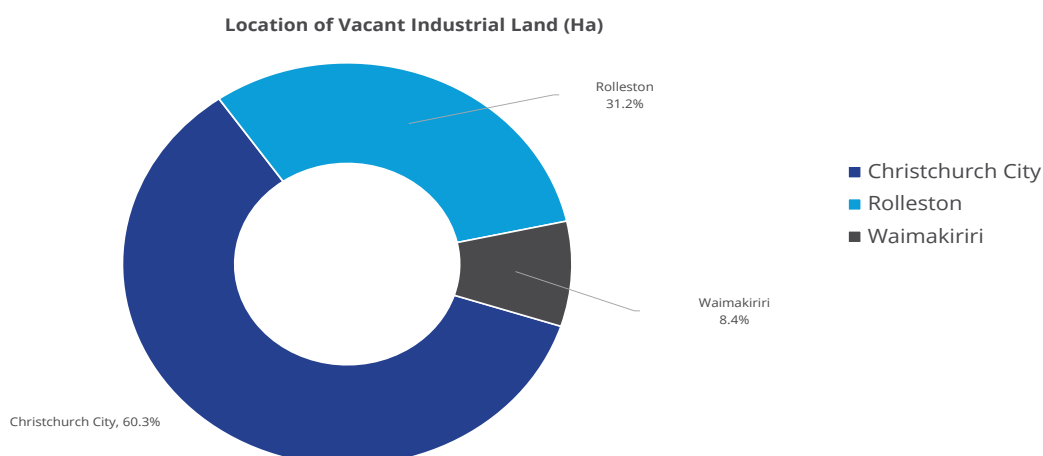


The stock of vacant industrial land in Rolleston was recently significantly increased following rezoning of 27.0 ha under Plan Change (PC) 66 in Maddisons Road on the northern edge of IPort and further 98.0 ha under PC80 in Two Chain Road on the south western edge of the Rolleston industrial district. Both plan changes were promoted by Rolleston Industrial Holdings Limited (Carter Group).

The following is a summary of the CVLS in the local authority areas:

#### CVLS – Geographic – Local Authority

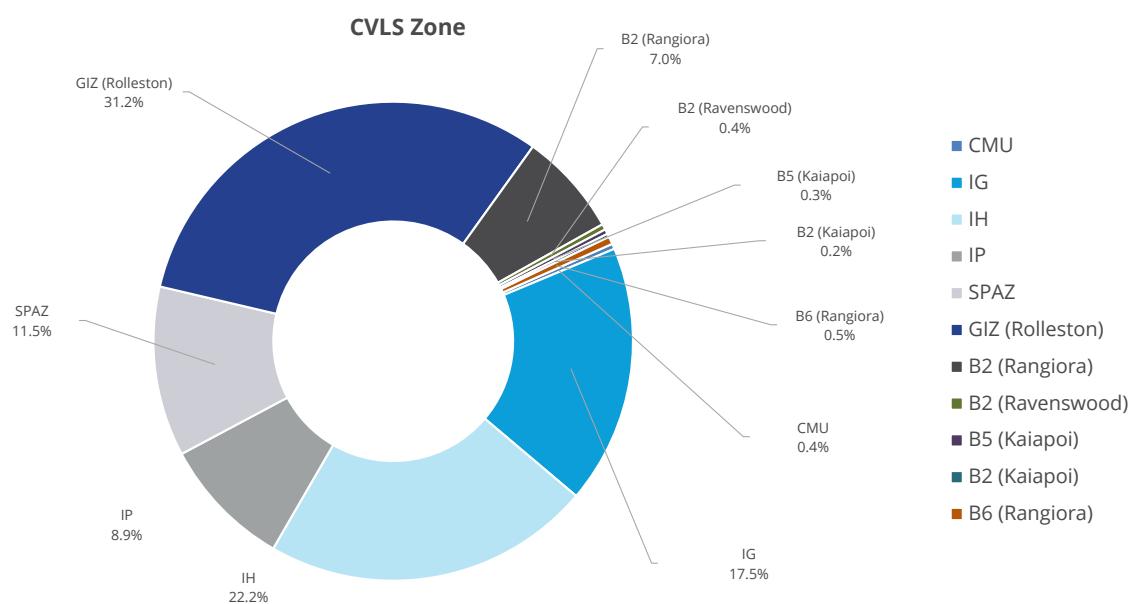
Location	Area ha	Proportion %
Christchurch City	474.8	60.35%
Selwyn – Rolleston	245.7	31.22%
Waimakariri District	66.3	8.43%
<b>Total</b>	<b>786.9</b>	<b>100.00%</b>



The following is a summary of the CVLS analysed on a zone basis:

#### CVLS – Zone – Greater Christchurch

Zone	Area ha	Proportion %
Commercial Mixed Use (CMU)	2.8	0.4%
Industrial General (IG)	137.6	17.5%
Industrial Heavy (IH)	174.4	22.2%
Industrial Park (IP)	69.7	8.9%
SPAZ – Airport	90.2	11.5%
General Industrial Zone (GIZ) (Rolleston)	245.7	31.2%
B5 (Kaiapoi)	2.6	0.3%
B2 (Kaiapoi)	1.8	0.2%
B2 (Ravenswood)	3.0	0.4%
B2 (Rangiora)	54.9	7.0%
B6 (Rangiora)	4.0	0.5%
<b>Total</b>	<b>786.9</b>	<b>100.0%</b>



The largest vacant land area zone is GIZ in Rolleston comprising 245.7 ha (31.2%), followed by IH in Christchurch City comprising 174.4 ha (22.2%) and IG comprising 137.6 ha (17.5%). These zones total 557.7 ha or 70.9% of all vacant industrial land in Greater Christchurch.

In Christchurch City alone, the largest vacant land area zone is IH comprising 174.4 ha (36.7%) followed by IG comprising 137.6 ha (29.0%). These two zones equate to 65.7% of the total industrial vacant land area in Christchurch City.

The following is a summary of the CVLS on a suburb location basis:

<b>CVLS – Suburb – Greater Christchurch</b>	
<b>Suburb</b>	<b>Area ha</b>
Addington	0.4
Airport	90.2
Belfast	82.0
Bridgend	36.1
Bromley	0.3
Burnside	0.9
Ferrymead	1.0
Harewood	53.1
Hornby South	135.0
Hornby North	3.0
Islington	24.4
Middleton	5.8
Russley	22.7
Sockburn	2.5
Sydenham	0.1
Templeton	4.2
Waltham	1.7
Wigram	7.7
Woolston	3.8
Rolleston	245.7
Waimakariri	66.3
<b>Total</b>	<b>786.9</b>

The principal suburbs where there are large areas of vacant industrial land are the Airport, Belfast, Hornby South and Rolleston which together account for 552.9 ha or 70.3% of the total.

We have also examined the ownership profile of vacant industrial land in Greater Christchurch.

The following is a summary of the prominent property owners in the industrial land market:

Prominent Ownership Profile		
Company	Area ha	Proportion %
Other	233.9	29.7%
Rolleston Industrial Holdings Limited	153.8	19.5%
Calder Stewart Group	97.4	12.4%
CIAL	82.2	10.4%
Christchurch City Council	27.9	3.5%
Canterbury Regional Council	26.0	3.3%
Foodstuffs (SI) Limited	19.3	2.5%
Miles Premise Limited	18.8	2.4%
HMK	16.6	2.1%
Southbrook Service Station Limited	16.5	2.1%
NTP Holdings Limited	15.0	1.9%
Islington Park Limited	12.1	1.5%
Lisburn Limited	11.7	1.5%
880 Main North Rd Limited	10.6	1.3%
PD Sloan	8.6	1.1%
Lyttelton Port Company	7.7	1.0%
LNV Trustees Limited	7.6	1.0%
Factory Road Holdings Limited	7.2	0.9%
Port of Tauranga	7.0	0.9%
Southbrook Holdings Limited	6.9	0.9%
<b>Total</b>	<b>786.9</b>	<b>100.0%</b>

Source: CoreLogic/Property Guru

Rolleston Industrial Holdings Limited, which is a Carter Group company, owns 153.8 ha (19.5%) at Rolleston. This land area includes land recently rezoned under PC66 & PC80 comprising 125.0 ha.

Calder Stewart owns a significant amount of vacant industrial land in Greater Christchurch comprising a total area of 97.4 ha or 12.4% of the total vacant land area. This land is located throughout Greater Christchurch with the largest concentrations at Hornby South and Rolleston. Calder Stewart often only sells land when it is subject to a building tie to that company. Excluded from the Calder Stewart vacant stock in the table above is land recently purchased at 29, 41 & 53 Marshs Road in Templeton South comprising 10.7 ha, which is zoned rural but likely to be rezoned industrial. Addition of this land to the Calder Stewart zoned supply increases the holding to 108.1 ha or 13.6% of total adjusted supply.

Christchurch International Airport Limited (CIAL) owns 82.2 ha or 10.4% of the total vacant land area at Christchurch International Airport in their industrial parks named Dakota Park and Mustang Park. This land is not available for sale and only offers the option of leased premises.

The majority of the Christchurch City Council land (27.9 ha) is located at Belfast and was acquired pursuant to Section 17 of the Public Works Act 1981 for stormwater management purposes. The Canterbury Regional Council



(ECan) land relates to land in and around Bridgend (Kainga) and Johns Road (Harewood) which is generally the subject of ground leases.

The His Majesty the King (HMK) or Crown land relates to residual land generally adjacent to the Christchurch Northern and Southern Motorway areas zoned industrial but as yet not subject to disposal.

## 3. Christchurch Industrial Land Market

### 3.1 Land Market Commentary

There has been considerable absorption of industrial land within the Canterbury market in recent years and partly on the strength of industrial property in general, we have observed significant activity occurring in the last 36 month period between 2021-2024, although activity has slowed throughout 2024. Transactions have occurred at land value levels we have not previously witnessed. The Canterbury industrial land market appears to be immune from the investment market correction which has occurred during the last three years on the back of increased interest rates, inflationary pressures and negative economic indicators.

There has been considerable absorption within Hornby and Islington, primarily within three key developments. These are Waterloo Business Park in Islington, to the northern periphery of Hornby, Hornby Quadrant by Calder Stewart (to the south western periphery, either side of Shands Road) which on the northern side merges into a circa 30.0 ha block recently developed into circa 40 lots by Ngai Tahu Property (NTP) and known as Mānia Industrial Park. Another smaller development known as Kairua (off Wilmers Road, also by NTP) was subdivided into smaller 1,000-3,000 sqm lots and is now fully sold down.

The current market dynamic, now and moving forward, is challenging to interpret.

Calder Stewart has recently completed development of Stage 4 of Hornby Quadrant on the north western side of Shands Road, at the intersection with Marshs Road in Hornby South. Stage 4 comprises a total area of 32.5 ha and has been developed into 19 lots ranging in size from 0.7 ha – 3.0 ha. We understand four lots have been sold in a short space of time.

Mānia Industrial Park has effectively sold down in the last 24 month period with limited remaining lots available for purchase. Prices achieved for Mānia are known to be at levels above what the market had previously contemplated, broadly being \$350 to \$450 per sqm for say 2,000 – 5,000 sqm lots and \$275 to \$325 per sqm for say 1.0 ha to 3.0 ha lots. The majority of these transactions occurred in 2021 or early 2022. It appears to our mind that in light of the current wider dynamic discussed herein, higher price points can now be achieved at present day and we are aware of several on sales occurring on this basis. Currently there is approximately 2.8 ha in three titles available for immediate development in Mānia.

Waterloo Business Park in Islington was released circa 2013/14 and whilst initially being relatively slow from an absorption perspective, the park is now well established with a complementary occupier mix and now offers the only material vacant land parcels (the odd piecemeal site aside) available for immediate development that is free of building ties. The land remaining is in mixed ownership, some retained by the original developers, some in third party ownership.

A short distance to the north of Hornby is the Christchurch International Airport precinct. It comprises a good volume of vacant industrial land alongside contemporary established buildings. Notably however, the land cannot be purchased by third parties and is available from the Airport owner on a land and building lease only basis.

Other land is available in Christchurch in smaller parcels and on a piecemeal basis. Such areas include Harewood, Belfast and Chaney's Corner to the north of Christchurch, and Kennaway Road to the south east of Christchurch.

The general Sydenham and Wigram locales are now largely developed with limited, if any, remaining land supply of materiality.

Outside of Hornby, Islington and the Christchurch International Airport precinct, the next most substantial supply of vacant industrial land is within Rolleston in three neighbouring developments, namely Izone, IPort and Tawhiri. Sales transactions have also been strong in the last 24 month period with appreciation of previously accepted benchmarks also occurring. Price point, because of the fringe location of Rolleston, remains less than Hornby/Islington which is the preferred industrial location of Christchurch. Arguably however, the price point difference for Rolleston is closing as the location becomes increasingly more viable in terms of motorway accessibility and its expanding resident population base.

In summary, there is limited remaining land supply within preferred Christchurch areas, particularly Hornby/Islington, available for immediate development that is free of development ties. There are no factors that indicate this dynamic will change in the near term. This factor, combined with the strength in the industrial investment market sector, in our view is, and has caused sharp land value inflation in a relatively short space of time.

It is our current opinion that market participants have confidence in well located industrial land because there is a shortage of supply and further, completed industrial building development is highly sought after by both the owner occupier and investment market. Unless any of these factors change, we reasonably anticipate current industrial land market sentiment to endure.

Since early 2021 there has been significant industrial land value escalation across all suburban areas, most notably in Hornby, Islington and Rolleston. Two contributing factors are the limited supply of industrial land available for sale and an increase in demand driven by a very strong industrial equity market, in particular, the logistics business sector.

## 4. Christchurch City Industrial Zones

The three principal industrial zones in Christchurch City outside of the Airport are:

- Industrial Heavy Zone (IH)
- Industrial General Zone (IG)
- Industrial Park Zone (IP)

### 4.1 Industrial Heavy Zone

The Industrial Heavy (IH) Zone recognises and provides for industrial activities that generate potentially significant adverse effects on the surrounding environment (such as high levels of noise, odour and heavy traffic movements), or involves significant use and storage of hazardous substances, necessitating separation from more sensitive land use activities. The established IH zones are located in the east at Bromley and Woolston, along Blenheim Road and the rail corridor between Addington and Hornby, and at Belfast. To the north of the city, areas at Chaney's and along Johns Road provide for mostly rural industry such as timber, aggregate processing and construction materials storage. A large area of IH zone was created by rezoning (from Rural) at South West Hornby through the Christchurch District Plan Review.

### 4.2 Industrial General Zone

The Industrial General (IG) Zone recognises and provides for industrial and other compatible activities that can operate in close proximity to more sensitive zones, due to the nature and limited adverse effects of those activities (such as noise, odour and traffic), and provides a buffer between residential areas and the IH zone. The largest areas of IG zoning are located within the established industrial areas of Wairakei (Burnside), Hornby, Sydenham, Phillipstown and Woolston, whilst new areas were zoned IG in South West Hornby, Islington and North West Belfast through the Christchurch District Plan Review.

### 4.3 Industrial Park Zone

The Industrial Park (IP) Zone recognises and provides for industrial activities in the high technology sector and other similar industries that seek to locate in a high amenity environment, dominated by open space and landscaping. These activities have the potential to generate higher volumes of traffic than other industry, but have negligible effects in terms of noise, odour or the use and storage of hazardous substances. They are mostly located in the vicinity of the Airport, at Wairakei Road (Burnside) and Memorial Avenue (Russley) and also at Awatea in South West Christchurch.

### 4.4 Zone Differences

The IH zone provides for a wide range of industrial activities including:

- Heavy Industrial Activities,
- Poultry Hatchery, and
- Bulk Fuel Supply Infrastructure

The IG zone provides for a similar range of industrial activities, but not Heavy Industrial Activities, Poultry Hatchery or Bulk Fuel Supply Infrastructure.

The IG zone also provides for the following activities, which are not permitted in the IH zone:

- Trade Supplier,
- Yard Based Supplier,
- Second Hand Goods Outlets, and
- Preschools

The IP zone provides for similar activities to the IG zone with the exception of Trade Supplier, Yard Based Supplier, and Second Hand Goods Outlets.

The IP zone however provides for Commercial Services activity and allows a greater flexibility for office accommodation.

The IP zone requires specific landscape treatment and limits building site coverage to a maximum of 50%. There is no site coverage maximum under the IH and IG zone rules.

The semi commercial activities permitted in the IG zone of Trade Supplier, Yard Based Supplier and Second Hand Goods Outlets will result in a greater number of traffic movements, than would likely occur in the IH zone.

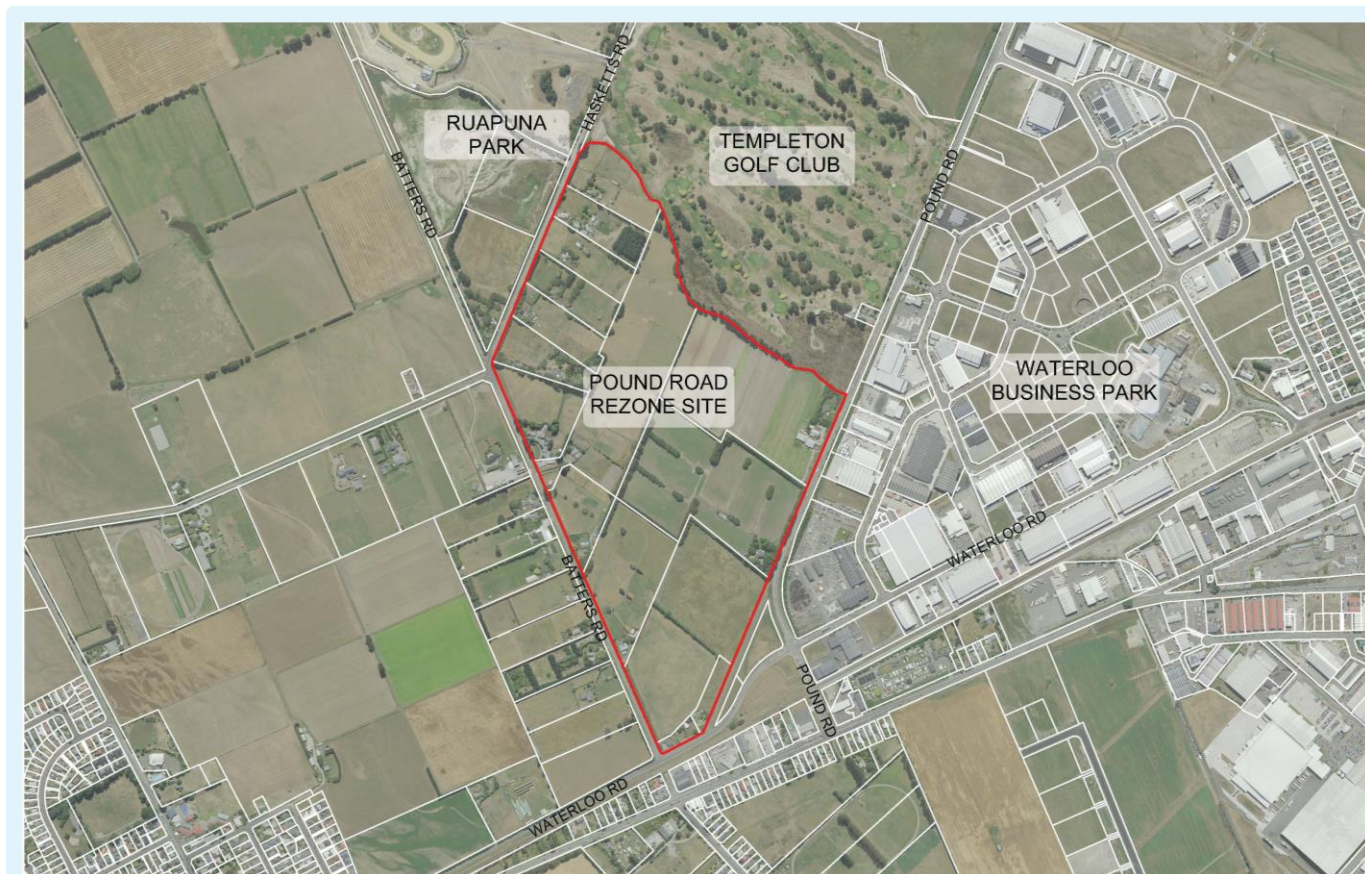
## 4.5 Proposed Pound Road Industrial Development

We understand the proposed application for an industrial subdivision under the Fast-track Approvals Act 2024 for the Site is for IG which we consider the most suitable taking into account all factors. Demand for industrial land in this location is likely to be for logistics warehousing or industrial manufacturing activities similar to those currently existing in the Hornby South/Islington district. All of the nearby Waterloo Business Park land is zoned IG. These types of activities, particularly logistics warehousing, rely on having easy access to major road traffic arterials. Pound Road forms the by-pass route between the Christchurch Southern and Northern Motorways and is in close proximity to Christchurch International Airport with convenient access to the Christchurch Central City and Lyttelton Port.

## 5. Hornby South/Islington Industrial Land Market

### 5.1 173 Pound Road

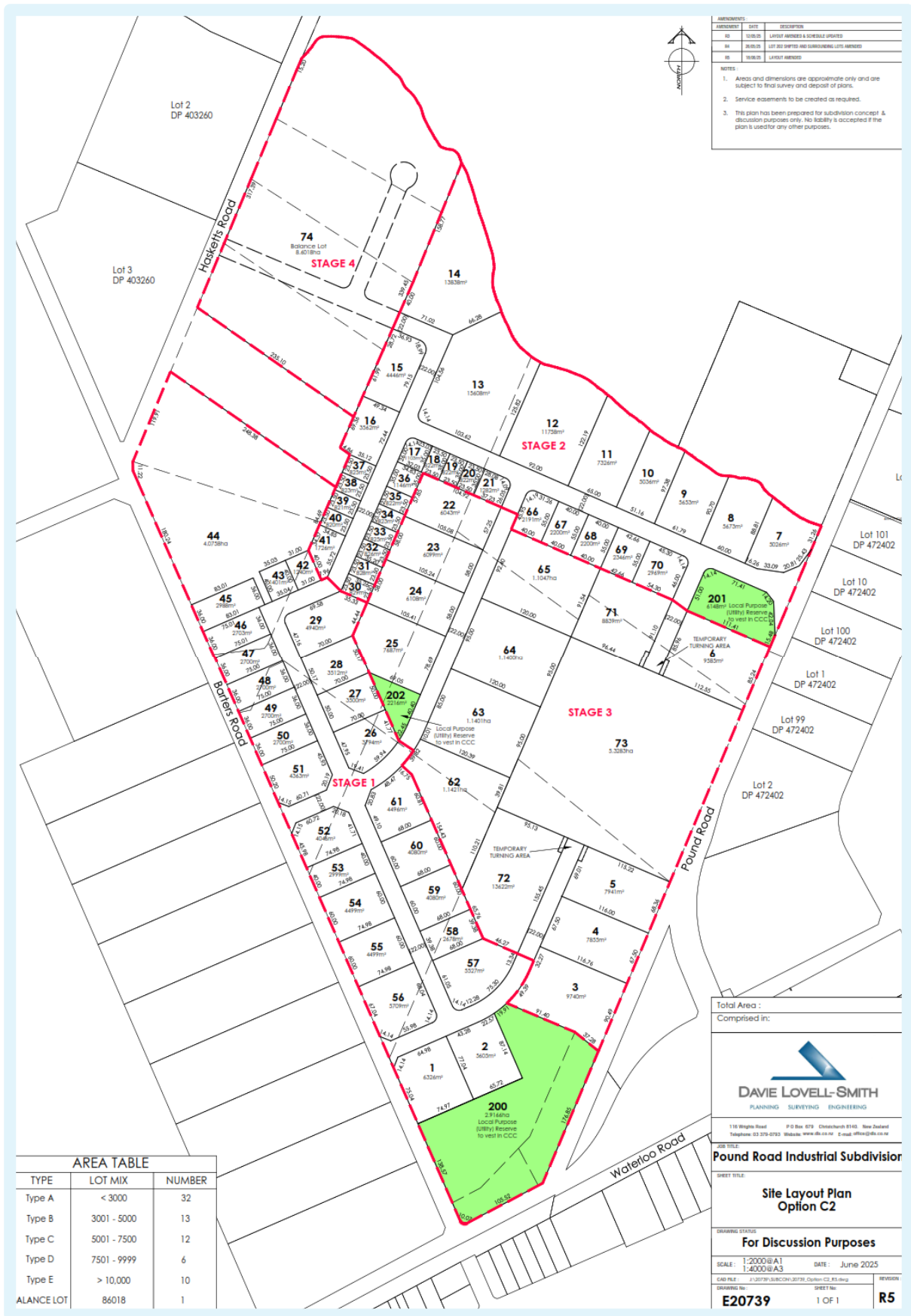
The Site, which is the subject of this consultancy, comprises the following properties at 111 & 173 Pound Road, 570 & 578 Waterloo Road, 2, 38, 64, 86 & 94 Barters Road and 4, 22, 30, & 48 Hasketts Road. The Site is situated on the north western side of Pound Road with frontages also to Waterloo Road, Barters Road and Hasketts Road and forms a block containing all land south of Templeton Golf Course, except 14 Hasketts Road. The land is in the effective ownership of seven different entities and contains a total land area of 59.3 ha. The land is currently utilised for a mix of rural lifestyle and horticultural activities. The properties at 4, 22, 30 & 48 Hasketts Road are owned by Christchurch City Council. We understand these properties were purchased by Christchurch City Council due to their close proximity of Ruapuna Motorsport Park.



We have reviewed a Site Layout Plan for the Site prepared by Davie Lovell-Smith on behalf of NTP Development Holdings Limited. The plan outlines a proposed subdivision creating 74 industrial lots with a balanced size mix of between 820 sqm and 8.6 ha. The lots will have frontages to Pound Road, Barters Road and Hasketts Road, together with an internal road network. In addition, there will be three Local Purpose (Utility) Reserves.

The following is the plan:





## 5.2 Templeton

The Templeton locality is situated on the south western fringe of metropolitan Christchurch and adjoins the Hornby and Islington suburbs. The Templeton residential township is located approximately 1.0 km south west of the Site.

Adjoining the northern boundary of the Site is Templeton Golf Club which is zoned Open Space Community Parks/Rural Quarry Templeton. Land on the northern side of Templeton Golf Club is zoned Rural Quarry Zone or Open Space Community Parks (Templeton) and accommodates a number of gravel quarries.

Located to the north west of the Site is Ruapuna Motorsport Park and Paparua Prison.

Surrounding land in the general proximity of the Site to the west and south west comprises a mix of rural lifestyle properties, many of which have good quality residential dwellings and associated buildings.

## 5.3 Hornby South/Islington Industrial District

We have completed detailed analysis of the existing industrial land in Hornby South/Islington.

For the purposes of our analysis, we have defined the Hornby South geographic boundary as land located to the south of Main South Road (SH 73a), west of Springs Road, and north of the Christchurch Southern Motorway. The south western boundary is defined by Marshs Road.

We have defined Islington as land north of Main South Road, east of Pound Road and the northern and eastern boundaries of Waterloo Business Park.

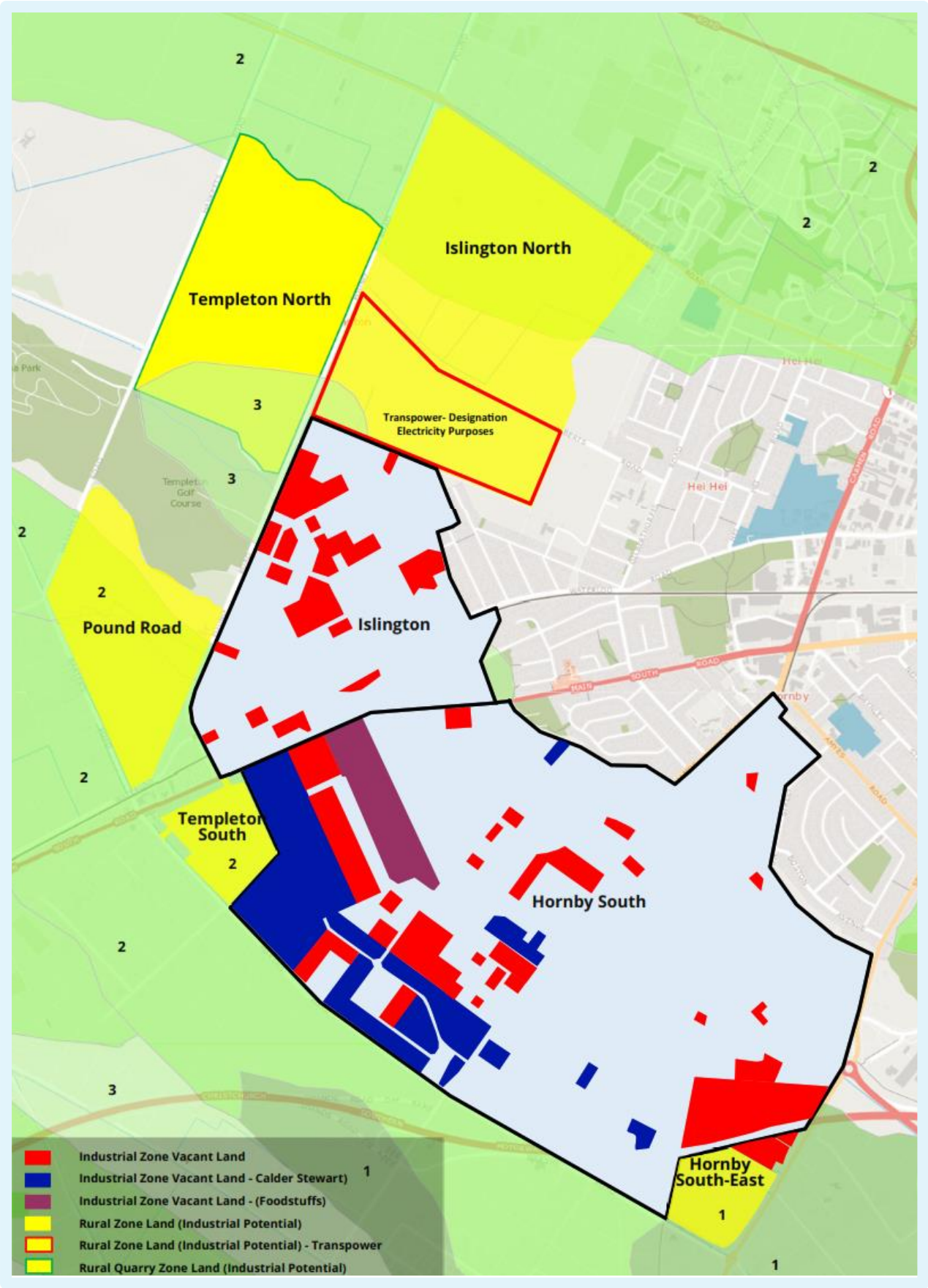
Marshs Road forms the boundary between Christchurch City and Selwyn District at this point and accordingly prevents expansion of industrial zoning to the south west. Land south of Main South Road from the Marshs Road intersection also forms part of Selwyn District.

Apart from isolated options which are discussed later in this report, there are no other reasonable industrial land expansion options available for the Hornby South/Islington locality.

The following plan depicts the location of the following land categories and HPL – LUS classifications in the general locality:

- Industrial Zone Vacant Land
- Industrial Zone Vacant Land (Calder Stewart)
- Industrial Zone Vacant Land (Foodstuffs)
- Rural Zone Land (Industrial Potential)
- Rural Zone Land (Industrial Potential) – Transpower
- Rural Quarry Zone Land (Industrial Potential)





## 6. Alternative Industrial Rezoning Options

### 6.1 Highly Productive Land (HPL) Constraints

A major constraint on rezoning rural land to an urban zone such as residential and/or industrial is the National Policy Statement (NPS) for Highly Productive Land 2022. This came into force on 17 October 2022.

Highly Productive Land (HPL) means land that has been mapped and is included in an operative Regional Policy Statement. Until an operative regional policy statement contains the maps of highly productive land required by clause 3.5(1), HPL in the region must be taken to have the meaning in clause 3.5(7) under the NPS.

When mapped, the land is identified as Land Use Capability Class (LUC) 1, 2 or 3. Land Use Capability (LUC) is a land mapping and classification system.

LUC Class 1 is defined as Arable – Most versatile multiple use land, minimal limitations, highly suitable for cropping, viticulture, berry fruit, pastoralism, tree crops and forestry.

LUC Class 2 is defined as Arable - Very good multiple use land, slight limitations, suitable for cropping, viticulture, berry fruit, pastoralism, tree crops and forestry.

LUC Class 3 is defined as Arable - Moderate limitations, restricting crop types and intensity of cultivation, suitable for cropping, viticulture, berry fruit, pastoralism, tree crops and forestry.

The objective of the NPS for HPL is that highly productive land is protected for use in land based primary production, both now and for future generations.

Tier 1 territorial authorities such as Christchurch City Council, may allow urban rezoning of highly productive land only if a number of conditions are met, which are discussed later in this report. While the Site has a LUC Class 2, the Site is zoned Rural Urban Fringe under the CDP. This zone was assessed by Chapman Tripp as falling outside the definition of HPL under clause 3.5(7) making this site not HPL under the NPS. Regardless, and in brief, a key consideration which is relevant to this report, is whether there are any other reasonably practicable and feasible options for providing development capacity within the same locality and market.

### 6.2 Infrastructure Constraints

Wastewater, ground water and transport are potentially constraints that must be considered when considering the alternative rezoning options in this general locality.

Wet industry is unlikely to be an option in this general area of the city, including the existing industrial areas of Hornby South/Islington, due to wastewater constraints/groundwater contamination risks.

## 6.3 Same Locality and Market

As I described in the previous section of this report, the relevant locality and market relates to the Hornby South/Islington environment 'locality' and the industrial 'market'.

## 6.4 Reasonably Practical and Feasible Alternative Options

The phrase 'reasonably practicable and feasible' in the context of clause 3.6 of the NPS-HPL is understood to consider whether alternative options for urban rezoning of HPL are practical and achievable, considering matters such as the availability of other suitable land, the costs and benefits of different options, and the potential effects of different options.

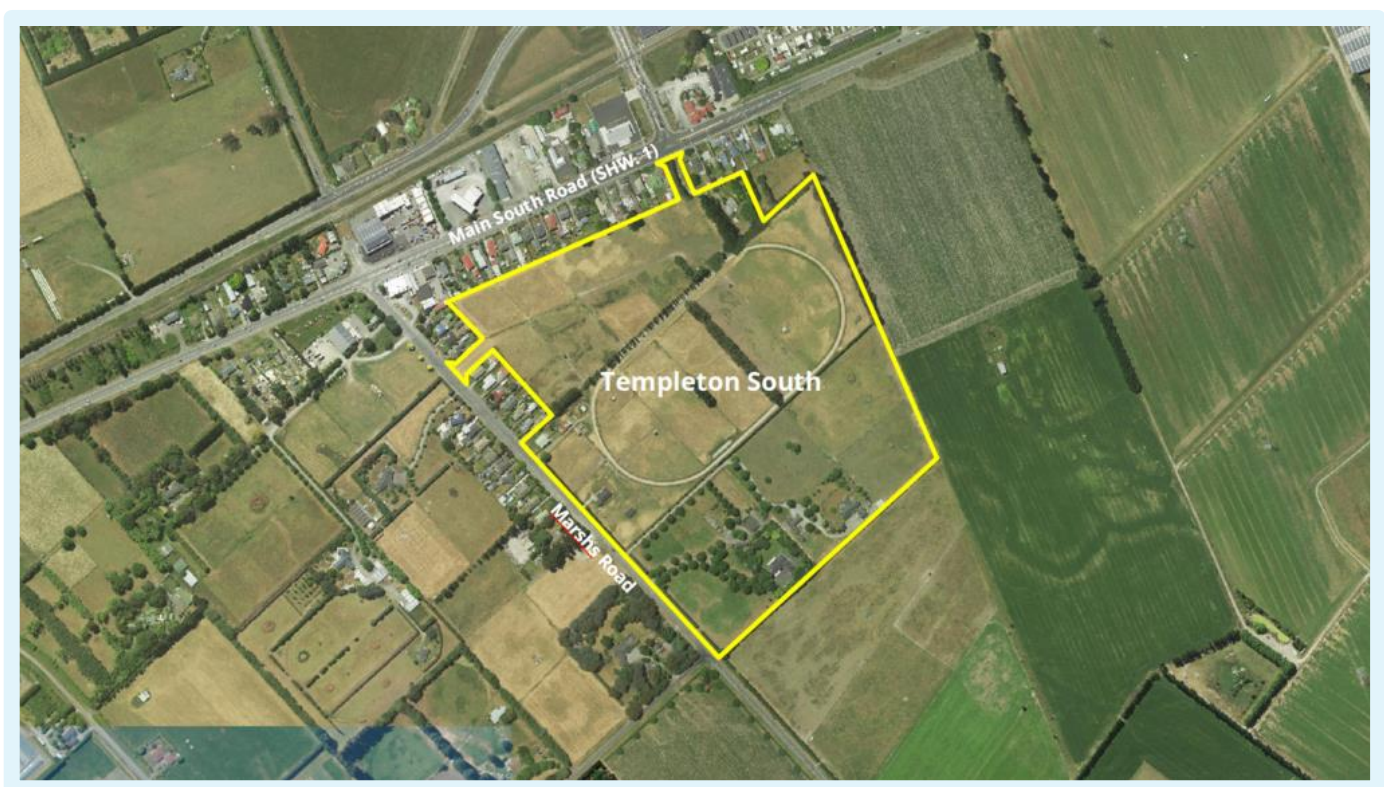
As at the date of this report there are no publicly notified Council or private plan change requests to rezone land for industrial purposes in this Hornby South/Islington locality and market.

Accordingly, there are no alternative options (practicable, feasible or otherwise) to the proposal that provide additional development capacity.

## 6.5 Templeton South

Located on the north eastern side of Marshs Road, with frontage to Main South Road, is a block of land comprising 19.5 ha held in five titles zoned Rural Urban Fringe. This land is bordered by Stage 4 of Hornby Quadrant. This land stands out as an obvious extension option for Hornby South/Islington. Calder Stewart who developed Hornby Quadrant, controls 10.7 ha or 54.8%. Adjoining the northern and part south western boundaries of the block are a number of conventional residential properties which will likely require part of this block to be zoned IG.

The land is LUC2 classification.





## 6.6 Hornby South East

Located to the south east of Hornby South at the intersection of Springs Road and Marshs Road is a block of land comprising 18.6 ha which, on the surface, appears to be a logical extension option for Hornby South. The land is held in the ownership of two companies, PM Van Koppen – 6.2170 ha (33.0%) and Foddercube Products (Nth Cnty) Ltd – 12.4514 ha (67%).

The land is LUC1 classification, however it is Rural Urban Fringe Zone and therefore NPS-HPL does not apply, and it is not significantly constrained.



## 6.7 Islington North

Located north of Waterloo Business Park is a large block of land comprising 169.0 ha framed by Pound Road to the west and Buchanans Road to the north which is principally zoned Rural Urban Fringe. Immediately adjoining the northern boundary of Waterloo Business Park is the property at 99 Roberts Road which has frontages to Roberts Road and Pound Road containing an area of 55.1 ha owned by Transpower New Zealand. This land has a Transpower NZ designation for electricity purposes. The land is heavily populated by high voltage electricity transmission lines and pylons, and it is difficult to envisage this land ever being rezoned industrial. Adjoining the northern boundary of Roberts Road is land currently used for quarrying purposes which is owned by Fulton Hogan Ltd, Maugers Mining Ltd and Islington Park Ltd. This land is also heavily encumbered by high voltage electricity transmission lines and pylons.

Land between these properties on the northern side of Roberts Road through to Buchanans Road comprises predominantly lifestyle properties, with a major owner (JM Payne) owning 22.3 ha and the balance properties ranging in size from 1.0 – 6.1 ha. All land adjoining the eastern boundary of this block is zoned Residential New Neighbourhood.

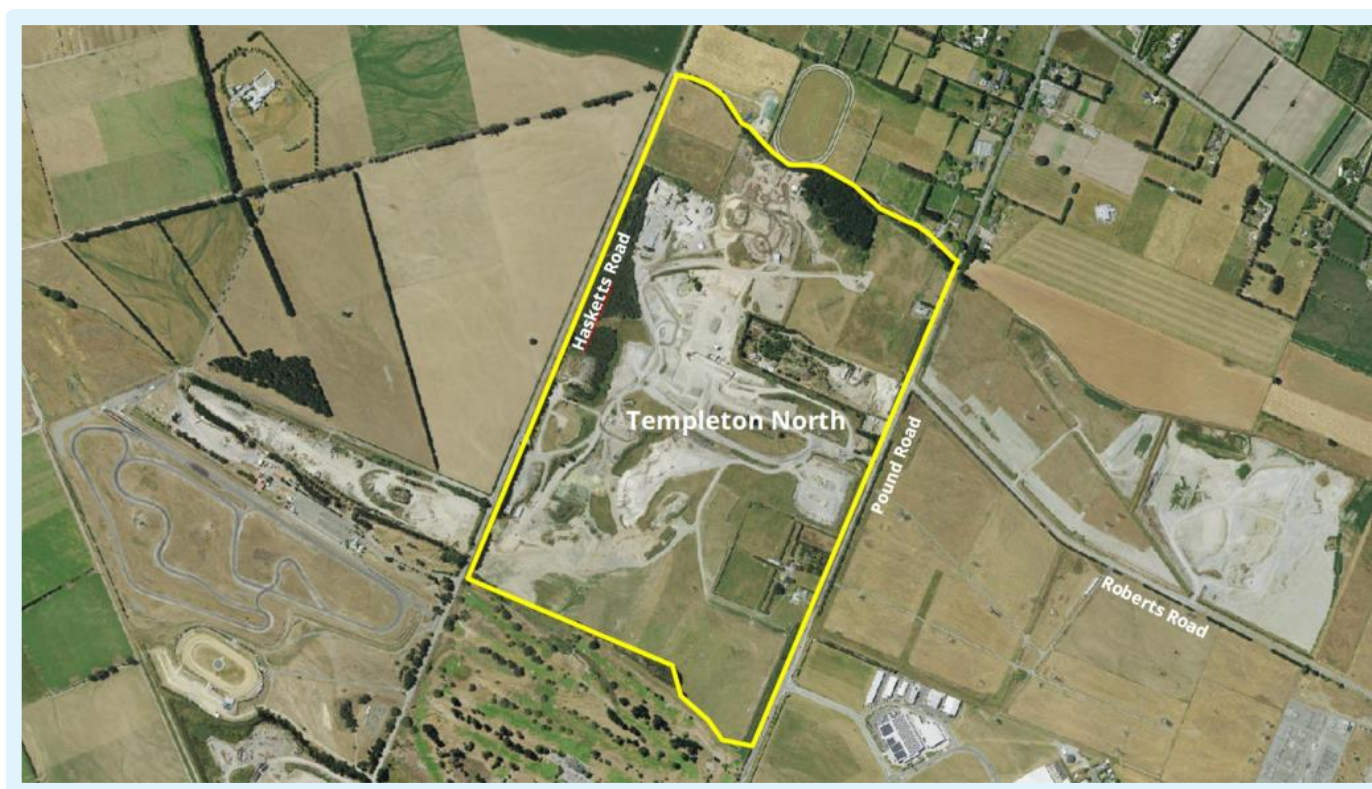
This block is predominantly LUC2 land. Rezoning the land north of Roberts Road residential is prevented by Christchurch Airport Air Noise Contours.





## 6.8 Templeton North

Located north of the Templeton Golf Club with frontages to Pound Road to the east and Hasketts Road to the west is a large block of land comprising 105.0 ha held in 19 titles which is zoned Rural Quarry Zone or Open Space Community Parks (Templeton). A large component of this block is currently utilised for quarry purposes with Fulton Hogan owning 92.8 ha (88.4%).



## 6.9 Harewood South (Ryans Road)

Located on the southern boundary of Christchurch International Airport at 104 Ryans Road, at the intersection with Grays Road, is a large block of land zoned Rural Urban Fringe containing 55.5 ha. Ryans Road links between Russley Road and Pound Road on the southern edge of Christchurch International Airport, and Grays Road extends to the north from Ryans Road linking into the CIAL Dakota Park freight and logistics industrial precinct.

This land is located approximately 5.6 kms north of the Site at Pound Road.

The land is currently used for rural activities.

All the land in the identified area of Harewood South is classified as LUC2.

The following plan depicts the Harewood South land:



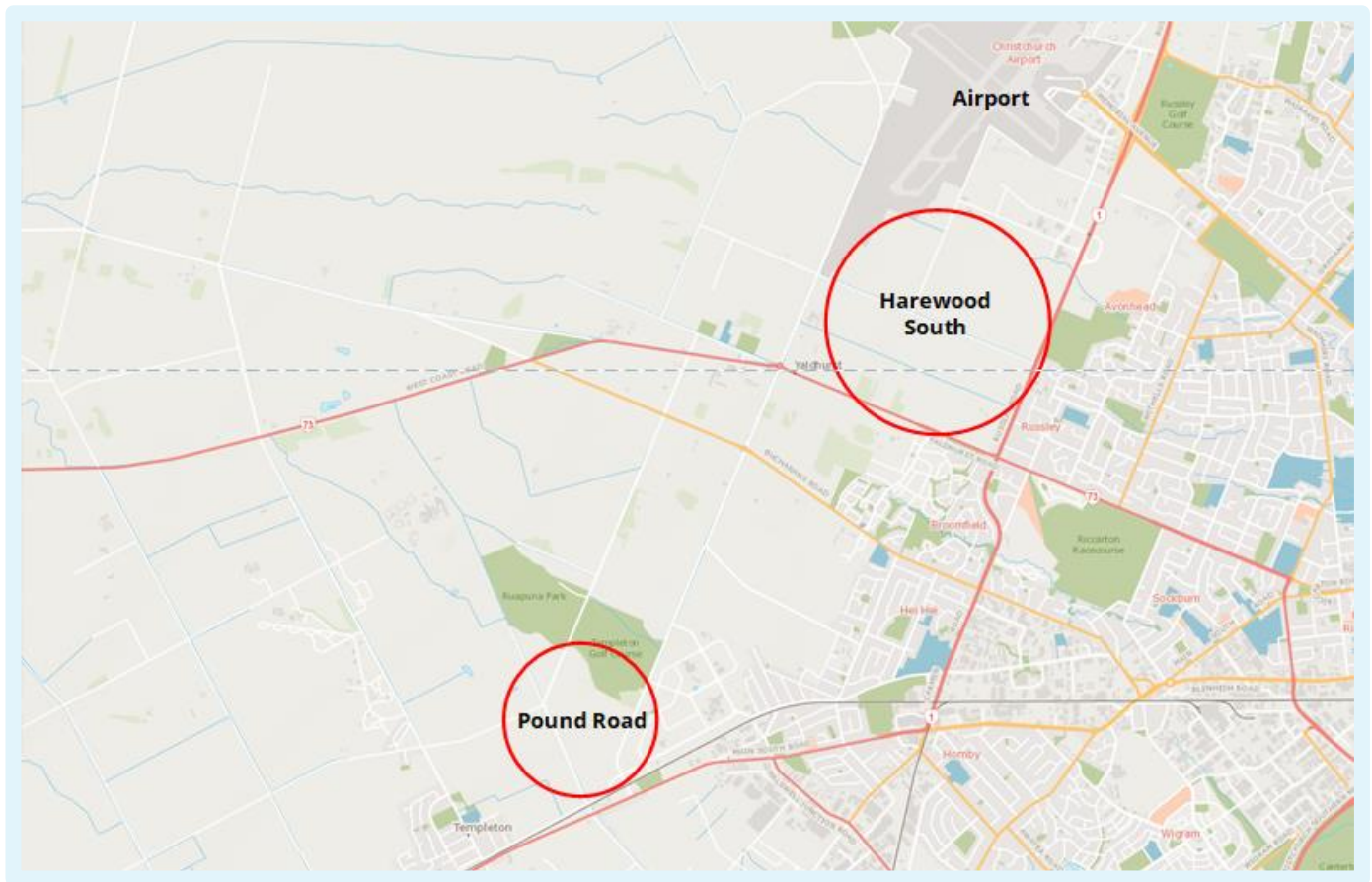
The Harewood South block was recently identified in the new Fast-track Approvals Act which is designed to provide a streamlined decision-making process to expedite infrastructure and development projects that offer significant and national benefits. The project identified is the Carter Group Ryans Road industrial development comprising 55.5 ha of industrial activities adjacent to Christchurch International Airport.

Harewood South is located on the north western edge of metropolitan Christchurch adjacent to Christchurch International Airport. This location is a distinctly different catchment to the south west industrial district of Christchurch where the subject Site is located.

The Harewood/Airport catchment includes the Harewood industrial district. There is a chronic shortage of freehold industrial land available in this catchment where there is strong demand for land to serve airport related and dependant activities including yard based passenger car/rental car/motorhome parking and airport related freight logistics warehousing.

The following plan illustrates the locational difference between the Site at Pound Road and Harwood South, which adjoins the southern boundary of the CIAL owned Dakota Park industrial estate:





## 6.10 Summary

Apart from the Site in Pound Road, we consider the other obvious land with credentials to support industrial rezoning or development is Templeton South comprising 19.5 ha (27-53 Marshs Road & 689 Main South Road). This land is bordered by Stage 4 of Hornby Quadrant to the south east and north east boundaries which is zoned IH. The only constraint to rezoning this block is LUC2 classification.

Another seemingly clear option for industrial rezoning or development is Hornby South - East, a block comprising 18.6 ha located at the intersection of Springs Road and Marshs Road.

The blocks named Islington North and Templeton North are not considered realistic options for rezoning or development. A large component of the Islington North block comprising 55.1 ha, immediately adjacent to the northern boundary of Waterloo Business Park, is designated Transpower NZ for electricity purposes and is heavily populated by high voltage electricity transmission lines and pylons. Likewise, land immediately to the north of that block on the northern side of Roberts Road owned by Fulton Hogan, Maugers Mining and Islington Park, is currently being utilised for quarry operations and is also heavily encumbered by high voltage electricity transmission lines and pylons.

This encumbered land dislocates the remainder of this block from the existing IG zone (Waterloo Business Park)

Land which we describe as Templeton North, north of Templeton Golf Club, is significantly developed for quarry operations with Fulton Hogan controlling 92.8 ha or 88.4% of this block. It is unrealistic to expect this land to be rezoned industrial in the medium to long term.

The Harewood South land is well removed from the Site and the south western industrial district and is located in the separate Harewood/Airport catchment which has different market characteristics and metrics.

We consider the option developing the Site at Pound Road to industrial is a logical step towards providing significant additional capacity in the already constrained Hornby South/Islington industrial land market.

The land is impacted by Ruapuna Outer and Inner Noise Boundary Overlay and a mix of the 50 & 55 dB Ldn air noise contours. Therefore, the land is unsuitable for residential activities. Proximity to Ruapuna Motorsport Park and Paparua Prison also make this land an undesirable residential locality.

In summary, there are no alternative options (practicable, feasible or otherwise) to the proposal that provide additional industrial development capacity in this locality and market.

## 7. Conclusions

### 7.1 Supply and Take-up

Within Greater Christchurch, the only accurate long term historic take-up data is the CCC VLR which relates to just the CCC geographic area. WDC has discontinued its vacant land register in Waimakariri District and SDC has never compiled a vacant land register in Selwyn District.

Accurate assessment of industrial land take-up in Christchurch City is difficult to quantify given the large areas of land rezoned during the last decade or so.

The following is a summary table of take-up in Christchurch City only:

CCC VLR – Christchurch City Only		
Year	Total Area Ha	Take-up Ha per pa
2017	916.2	-
2018	879.2	37.0
2019	851.9	27.3
2020	830.9	85.3
2021	796.5	82.7
2022	760.7	-

Take-up in Christchurch City in the period from 2018 – 2022 (4 years) was 232.3 ha or an average of 58.1 ha pa. Take-up in the last recorded two year period from 2020 – 2022 was 168.0 ha or an average of 84.0 ha pa.

The 2024 CVLR for Greater Christchurch measured a total vacant land supply of 786.9 ha. Colliers previously completed a CVLR in September 2020, 3.75 years prior, when the total vacant land supply was 873.2 ha.

If the recent additions of 125.0 ha at Rolleston resulting from PC66 & PC80 rezoning together with the reclassification of 4.0 ha in Rangiora to Business 6 are excluded from the current supply for measuring purposes, then the normalised 2024 supply is 657.9 ha. The indicated net take-up over this 3.75 year period is 215.3 ha or on average 57.4 ha pa.

The CVLR indicated net take-up over the recent 3.75 year period equates to 57.4 ha pa which correlates reasonably closely to the CCC VLR take-up in the period from 2018 – 2022 of 58.1 ha pa. We note the CCC VLR for their last recorded two year period from 2020 – 2022 was 84.0 ha pa.

We are of the opinion it is prudent to adopt the more conservative CVLR take-up rate of 57.4 ha pa.

When forecasting how long the land supply in Greater Christchurch will last, we have excluded land owned by HMK (16.6 ha), CCC (27.9 ha), and ECan (26.0 ha), which is considered to be essentially unavailable to the market.

The following is a summary of our adjusted total supply:

#### Colliers Adjusted Supply Summary

Total CVLR Supply		786.9 ha
Less HMK Ownership	(16.6) ha	
Less CCC Ownership	(27.9) ha	
Less ECan Ownership	(26.0) ha	(70.4) ha
<b>Net CVLR</b>		<b>716.5 ha</b>

Adopting a land take-up of 57.4 ha pa indicates there is sufficient supply for **12.5 years** throughout Greater Christchurch. This supply calculation is optimistic given the restrictions on large areas of the current vacant industrial land supply including the CIAL land comprising 82.2 ha (11.5%), which is only available for land and build leasing and not freehold ownership, and the Calder Stewart land comprising 97.4 ha (13.6%) which is generally only available subject to a building tie.

When the NPS competitiveness margin of 20% in the short and medium term is factored in then the adjusted capacity in Greater Christchurch will be exhausted in **10.4 years**.

The following is a summary of our adjusted total supply for just Christchurch City:

#### Colliers Adjusted Supply – Christchurch City

Total CVLR Supply		474.8ha
Less HMK Ownership	(16.6) ha	
Less CCC Ownership	(27.9) ha	
Less ECan Ownership	(26.0) ha	(70.4) ha
<b>Net CVLR</b>		<b>404.4 ha</b>

Allowing for the NPS-UD competitiveness margin (20%), the adjusted capacity in Christchurch City will be exhausted in **8.7 years**.

**In summary, whichever methodology is used to analyse the supply of vacant industrial land in Greater Christchurch or just Christchurch City in isolation, the current stock of industrial land will be exhausted in the short to medium term between 8.7 years and 10.4 years.**

We have also completed analysis of the principal industrial zones of IH, IG and IP in Christchurch City and GIZ in Rolleston.

Zone Take up & Supply Pipeline				
Zone	2024 Supply ha	Take up ha	Take up ha pa	Supply yrs
IG	137.6	(67.0)	17.9	7.7
IH	174.4	(56.6)	15.1	11.6
IP	69.7	(9.7)	2.6	27.0
GIZ (Rolleston)	245.7	(60.1)	16.0	15.3

The IG analysis indicates that at a take up rate of 17.9 ha pa there is limited supply/capacity which without rezoning occurring will be exhausted in just 7.7 years. When the NPS-UD competitiveness margin of 20% is allowed for the supply will be exhausted in 6.4 years.

The IH analysis indicates that at a take up rate of 15.1 ha pa there is limited supply/capacity which without rezoning occurring will be exhausted in 11.6 years. When the NPS-UD competitiveness margin of 20% is allowed for the supply will be exhausted in 9.6 years.

At Rolleston, the most recent rezoning by SDC of 125 ha from rural to GIZ has alleviated any supply constraints with capacity now forecast to last 15.3 years.

We have completed analysis on the Hornby South/Islington market in isolation. In Hornby South, the 2024 capacity is 135.0 ha which adopting a take-up rate of 47.8 ha during the last 3.75 years or 12.7 ha pa, indicates a supply pipeline to last approximately 10.6 years. Likewise, in Islington the 2024 capacity is 24.4 ha which adopting a take-up rate of 21.3 ha over the last 3.75 years, or 5.7 ha pa indicates a supply pipeline of 4.3 years. Combined, the supply pipeline for Hornby South/Islington is 8.7 years before any adjustment.

Deducting the HMK land of 16.6 ha produces a net capacity in Hornby South/Islington of 142.8 ha which indicates a supply pipeline of 7.8 years.

If we complete further analysis by allowing a competitiveness margin of 20% as specified in the NPS-UD, over the short to medium term, this further reduces the supply pipeline to 6.5 years.

The following is a summary table of these calculations for Hornby South/Islington take-up and supply pipeline.

<b>Hornby South/Islington Take up &amp; Supply Pipeline</b>				
<b>Location</b>	<b>2024 Supply ha</b>	<b>Take up ha</b>	<b>Take up ha pa</b>	<b>Supply yrs</b>
Hornby South	135.0	(47.8)	(12.7)	10.6
Islington	24.4	(21.3)	(5.7)	4.3
Total	159.4	(69.0)	(18.4)	8.7
Less HMK	(16.6)			
<b>Net Hornby South/Islington</b>	<b>142.8</b>	<b>(69.0)</b>	<b>(18.4)</b>	<b>7.8</b>
<b>Competitive Margin @ 20%</b>		<b>(82.9)</b>	<b>(22.1)</b>	<b>6.5</b>

In summary, the Hornby South/Islington industrial market faces a severe shortage in terms of capacity in the short-medium term which without remedy will result in continued sharp escalation in land prices.

The Hornby South/Islington locality is unique and located at the junction of the principal transport motorway network in addition reasonable proximity to Lyttelton Port.

No other industrial location enjoys the same advantages and premium demand that Hornby South/Islington currently has.

We consider the two most appropriate rezoning options to provide much needed additional capacity in the south west catchment of Hornby South and Islington are the Site at Pound Road and the Templeton South site in Marshs Road. These two sites would provide an additional capacity of 81.9 ha. The addition of this capacity would increase the effective pipeline in Hornby South and Islington after factoring in the NPS-UD 20% competitiveness margin from 6.5 years to 10.2 years.

The following table summarises this position:

<b>Adjusted Rezoned Hornby South/Islington Take up &amp; Supply</b>				
<b>Location</b>	<b>2024 Supply ha</b>	<b>Take up ha</b>	<b>Take up ha pa</b>	<b>Supply yrs</b>
Hornby South + Templeton South	154.5	(47.8)	(12.7)	12.1
Islington + Pound Road	86.8	(21.3)	(5.7)	15.3
Total	241.3	(69.0)	(18.4)	13.1
Less HMK	(16.6)			
<b>Net Hornby South/Islington</b>	<b>224.7</b>	<b>(69.0)</b>	<b>(18.4)</b>	<b>12.2</b>
<b>Competitive Margin @ 20%</b>		<b>(82.9)</b>	<b>(22.1)</b>	<b>10.2</b>

## 7.2 Market Stability

Demand for industrial land in Christchurch, particularly in the preferred south west corridor suburbs of Hornby, Islington and Rolleston has been strong, with limited available supply resulting in significant value escalation over the last three years. The current buoyant industrial land market in Christchurch is forecast to continue given the steady decline in supply and absence of any significant rezoning in Christchurch City.

We are aware of a few industrial rezoning proposals in the pipeline; however, these will only have a limited impact on supply.

Prospective land purchasers face challenges in the current market given the location of supply and the development practises of the major land owners. Calder Stewart will generally often only sell land subject to a building tie whereas CIAL do not sell any land.

Rolleston Industrial Holdings (Carter Group) who control the land at IPort and the recently rezoned land at Rolleston will generally sell land without a building tie.

## 7.3 Key NPS-UD & NPS-HPL Tests

We have considered the rezoning of the Site in terms of addressing the key NPS-UD and NPS-HPL tests. The following are our comments in italics:

### 7.3.1 NPS-UD

#### Objective 2:

Planning decisions improve housing affordability by supporting **competitive land and development markets**.

*Substituting housing affordability with business land affordability, planning decisions in Greater Christchurch, particularly in Christchurch City, are not supporting competitive land and development markets, as illustrated by the sharp escalation in land prices.*

#### Objective 3:

Regional policy statements and district plans enable more people to live in, and more businesses and community services to be located in, areas of an urban environment in which one or more of the following apply:

...

- (c) there is **high demand for** housing or for **business land in the area, relative to other areas within the urban environment**.

*Our industrial land analysis demonstrates that there is high demand for business land (IH and IG) in Christchurch City, particularly in Hornby South/Islington where there is limited steadily declining capacity.*

#### Objective 6:

Local authority decisions on urban development that affect urban developments are:

...

- (c) responsive, particularly in relation to proposals that would supply **significant development capacity**.

*The Pound Road proposal will contribute towards supplying significant development capacity.*

#### Policy 1:

Planning decisions contribute to well functioning urban environments, which are urban environments that, as a minimum:

...

- (b) **have or enable a variety of sites that are suitable for different business sectors in terms of location and site size;**

*Enabling industrial development of the Pound Road site will contribute to supplying industrial land that will satisfy the undoubted current demand which has extremely limited supply and choice in this location and add to the variety of site size.*

#### Policy 2:

Tier 1, 2 and 3 local authorities, at all times, provide **at least sufficient development capacity to meet the expected demand** for housing and **for business land over the short term, medium term and long term**.

*Our analysis forecasts the current supply of industrial land in Christchurch City will be exhausted in 10.5 years at best. In all likelihood, this will occur well inside 10 years or within the medium term. Analysis of take up of IG land in Christchurch City forecasts supply will be exhausted in 7.7 years and in the case of IH land in 11.6 years, both in or around the medium term. In Hornby South/Islington, supply will be exhausted in 6.5 years (medium term). It is clear*



*Christchurch City Council is not providing sufficient capacity over the long term, nor in the medium term. As such, rezoning of the Site is necessary to provide at least sufficient development capacity over the short-medium term.*

#### Clause 3.3:

- (1) Every Tier 1, 2 and 3 local authority must provide **at least sufficient development capacity in its region or district to meet the expected demand for business land:**
  - (a) **from different business sectors;** and
  - (b) in the short term, medium term, and long term.

*Christchurch City Council is not providing sufficient development capacity to meet the demand for business land in the medium and long term. In Hornby South/Islington, it is not providing sufficient capacity to meet the demand for IG and IH land in the short term.*

- (2) In order to be sufficient to meet expected demand for business land, the development capacity must be:
  - (c) **suitable (as described in clause 3.29 (2)) to meet the demands of different business sectors (as described in clause 3.28 (3)); and**
  - (d) **for Tier 1 and 2 local authorities only, meet the expected demand plus the appropriate competitiveness margin (clause 3.22).**

*When the NPS-UD competitiveness margin of 20% in the short and medium term and 15% in the long term are added then the capacity in Greater Christchurch will be exhausted in 10.4 years. Likewise, the IG in Christchurch City will be exhausted in 6.4 years and the IH land will be exhausted in 9.6 years. In Hornby South/Islington, CCC is not providing sufficient capacity to meet the demand for industrial land in the short-medium term.*

#### 7.3.2 NPS-HPL

##### Clause 3.6.1 (b)

We do not consider that the NPS-HPL applies to the Site for the reasons detailed above i.e. the Rural Urban Fringe Zone is not considered HPL for the purposes of the NPS-HPL. However, in the alternative the below analysis is provided.

Tier 1 and 2 territorial authorities may allow urban rezoning of highly productive land only if:

**There are no other reasonably practicable and feasible options for providing at least sufficient development capacity within the same locality and market while achieving a well-functioning urban environment;**

*We have explored the other reasonably practicable and feasible options for providing at least sufficient capacity within the same locality and market. The most likely only alternative options in the Hornby South/Islington area are Templeton South at 27-53 Marshs Road which is relatively small comprising 19.5 ha, and Hornby South-East at the intersection of Springs Road and Marshs Road which is also relatively small comprising 18.6 ha, compared to the Site at Pound Road of 62.4 ha. The other options explored at Islington North and Templeton North, are not realistic options due to a mix of constraints.*



#### Clause 3.6 (2)

In order to meet the requirements of sub-clause (1) (b), the territorial authority must consider a range of reasonably practicable options for providing the required development capacity, including:

...

(b) rezoning of land that is not highly productive land as urban; and

(c) rezoning different highly productive land that has a relatively lower productive capacity.

*As discussed earlier in this report there are no other “reasonably practical options” for providing additional industrial capacity that is not highly productive land in Hornby South, Islington and Templeton. The Site at Pound Road has a lower productive capacity of LUC2 and is only partially affected.*

#### Clause 3.6 (4)

Territorial authorities that are not Tier 1, or 2 may allow urban rezoning of highly productive land only if:

(a) the urban zoning is **required to provide sufficient development capacity to meet expected demand for housing or business land** in the district; and

(b) there are **no other reasonably practical and reasonable options** for providing the required development capacity....

*Notwithstanding Christchurch City Council is a Tier 1 territorial authority, we consider rezoning the Site is required to provide sufficient development capacity to meet expected demand for business land in the district and there are limited other reasonably practical and reasonable options for providing the required development capacity.*

#### Clause 3.6 (5)

Territorial authorities must take measures to ensure that the **spatial extent of any urban zone covering highly productive land is the minimum necessary to provide the required development capacity while achieving a well-functioning urban environment.**

*We consider that rezoning the Site, which is only partially impacted by HPL – LUC 2, fits within the category of the minimum necessary to provide the required development capacity while achieving a well-functioning urban environment.*

## 7.4 Hornby South/Islington Industrial Land Summary

The land which is the subject of this consultancy report is zoned Rural Urban Fringe and is located immediately opposite the Waterloo Business Park (Islington) IG zone.

The Site at 173 Pound Road comprising approximately 59.3 ha, is a logical extension to the Hornby South/Islington industrial area where there is a shortage of vacant industrial land available for development. Rezoning the land to IG or consenting the same would contribute to satisfying the pent-up demand for land in this immediate locality.

## 8. Assumptions & Limitations

Our valuation consultancy is subject to The Company's Statement of Valuation Qualifications and Conditions as follows:

### 1. Information

We have assumed that the instructions and subsequent information supplied contain a full and frank disclosure of all information that is relevant.

## 9. Compliance Statement

This consultancy has been performed in accordance with the International Valuation Standards (IVS), and we confirm that;

- The statements of fact presented in this report are correct to the best of the Valuer(s) knowledge;
- The analysis and conclusions are limited only by the reported assumptions and conditions;
- The Valuer's fee is not contingent upon any aspect of this report;
- The consultancy has been performed in accordance with the NZIV Code of Ethics and performance standards;
- The Valuer has satisfied professional education requirements;
- The Valuer has experience in the location and category of the subject of the consultancy;
- The signatories to this report have both made a personal inspection of the property and
- No one, except those specified in the report has provided professional assistance in preparing the report.
- The principal valuer(s) is a Registered Valuer in accordance with the Valuers Act 1948 and holds an Annual Practising Certificate.
- Further, we also confirm that we are not aware of any conflicts of interest or pecuniary interests of the property which is the subject of this consultancy on the part of either CVAS (CHC) Limited or the valuer(s). If any potential conflicts have arisen during the instruction of this valuation, we have cleared them as per the details provided in Section 18.

## 10. Report Reliance & Company Qualifications

Our consultancy is subject to The Company's Statement of Valuation Qualifications and Conditions as follows:

1. Where it is stated in the report that information has been supplied to us by another party, this information is believed to be reliable, but we can accept no responsibility if this should prove not to be so. Where information is given without being attributed directly to another party, this information has been obtained by our search of records and examination of documents or by enquiry from Government or other appropriate sources.
2. In preparing the valuation and/or providing valuation services, it has been assumed that a full and frank disclosure of all relevant information has been made.
3. This valuation consultancy and all valuation services are provided by us solely for the use of our client. We do not assume any responsibility to any person other than the client for any reason whatsoever by reason of or arising out of the provision of this valuation.

4. [Confidentiality and Disclaimer of Liability](#)

Our valuation consultancy and report is strictly confidential to the party to whom it is addressed and is prepared solely for the specific purpose to which it refers. No responsibility whatever is accepted for reliance on the valuation consultancy report for other purposes. Further, no responsibility whatever is accepted to persons other than the party to whom the valuation consultancy and report is addressed for any errors or omissions whether of fact or opinion.

5. Neither the whole nor any part of this valuation consultancy and/or report or any reference to it may be included in any published document, circular, or statement without our written approval.

6. [PINZ: Valuation Standards & Guidance Papers](#)

All valuation consultancy is carried out in accordance with the Valuation Standards and Guidance Papers recommended by the Property Institute of New Zealand.

7. Please note that personnel in this firm will or may have stocks, shares or other interests in entities that directly or indirectly hold properties which are the subject of this valuation consultancy and/or may have direct or indirect personal relationships with third parties with interests in these same entities. The Company's valuers are required to abide by an industry standard disclosure regime and The Company's internal policies with respect to conflicts of interest and will disclose any material conflict of interest that arises in its capacity as Valuer concerning the property which is the subject of this valuation consultancy.

We trust that this report is suitable for current purposes. If you have any questions, please contact the writer directly.

For and On Behalf of  
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