

# Consultancy Report

104 Ryans Road, Harewood  
Christchurch Industrial Land Market

Prepared For  
Carter Group Limited

Address  
PO Box 2726  
Christchurch 8140

Attention  
Tim Carter

Date of Consultancy: 20 February 2025 | Ref: 21233/GS



# Contents

(i)	Executive Summary	3
1.	Introduction	6
1.1	Scope of Work	6
1.2	Basis of Consultancy	7
1.3	Methodology	7
1.4	Information Sources	7
1.5	Reliance and Extension of Liability	7
2.	Industrial Land Data	9
2.1	CCC Vacant Land Survey	9
2.2	Colliers Vacant Land Survey	11
3.	Christchurch Industrial Land Market	16
3.1	Land Market Commentary	16
4.	Christchurch City Industrial Zones	18
4.1	Industrial Heavy Zone	18
4.2	Industrial General Zone	18
4.3	Industrial Park Zone	18
4.4	Special Purpose Airport Zone	18
4.5	Zone Differences	19
4.6	Proposed Ryans Road Development	20
5.	Harewood Industrial Land Market	21
5.1	104 Ryans Road	21
5.2	Harewood Industrial District	22
5.3	Harewood North Industrial District Profile	24
5.4	Harewood North Ownership Profile	25
5.5	Harewood Vacant Industrial Land Metrics	26
6.	Alternative Industrial Rezoning Options	28
6.1	Highly Productive Land (HPL) Constraints	28
6.2	Same Locality and Market	28
6.3	Future Urban Development Areas or Rezoning	28
6.4	Reasonably Practicable and Feasible Alternative Options	29
6.5	Avonhead	29
6.6	Summary	32
7.	Conclusions	33
7.1	Supply and Take-up	33
7.2	Harewood Market	35
7.3	Key NPS-UD & NPS-HPL Tests	39
7.4	Harewood Industrial Land Summary	42

8.	Assumptions & Limitations	43
9.	Compliance Statement	43
10.	Report Reliance & Company Qualifications	44

# (i) Executive Summary

## Assignment Details

<b>Instructing Party</b>	<b>Property Address</b>	104 Ryans Road, Harewood, Christchurch
Carter Group Limited	<b>Reliant Party</b>	Carter Group Limited
PO Box 2726	<b>Intended Use of Report</b>	Fast Track Act – Resource Consent Application
Christchurch 8140	<b>Date of Consultancy</b>	20 February 2025
Attention: Tim Carter	<b>Date of Inspection</b>	20 February 2025
	<b>Report Completed</b>	10 March 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 the evaluation of a resource consent application under the Fast Track Approvals Act 2024 (FTAA) to enable industrial subdivision and development of the property at 104 Ryans Road, Harewood (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 four years where land values have increased by as much as 75% over this period.

Our analysis of the vacant industrial land market in Greater Christchurch makes an important distinction between land that is freely available and land which is not available to the market. Land owned by His Majesty the King (HMK), Christchurch City Council (CCC) and Canterbury Regional Council (ECan) is not available to the market in terms of capacity. Another example is industrial land which is only available to the market in the form of leasehold tenure. Land at Christchurch Airport which is owned by Christchurch International Airport Limited (CIAL) is only available to the market in the form of leasehold tenure. In our opinion the CIAL leasehold land constitutes a different market in terms of supply and demand. Further discussion on this issue is provided later in this report.

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.

Excluding the CIAL supply of vacant land of (82.2 ha) reduces the effective vacant land area to 634.2 ha which indicates a sufficient supply for 11.0 years.

When the NPS-UD competitiveness margin of 20% in the short and medium term is factored in then the adjusted capacity in Greater Christchurch will be exhausted in 9.2 years.

We have completed the same analysis on Christchurch City in isolation. Excluding land owned by HMK (16.6 ha), CCC (27.9 ha), ECan (26.0 ha) and CIAL (82.2 ha) and adopting an average annual take-up of 38.7 ha, indicates there is sufficient supply for approximately 8.3 years. When the NPS-UD competitiveness margin of 20% is factored in the adjusted supply reduces to 6.9 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 6.9 years and 9.2 years.**

We have also completed analysis of the principal industrial zones of Industrial General (IG), Industrial Heavy (IH and Industrial Park (IP) in Christchurch City and General Industrial Zone (GIZ) in Rolleston.

The IG analysis indicates that at a take up rate of 17.9 ha pa there is limited existing supply/capacity which will be exhausted in 7.7 years.

The IH analysis indicates that at a take up rate of 15.1 ha pa there is limited existing supply/capacity which will be exhausted in 11.6 years.

In contrast the IP analysis indicates that at the take up rate of just 2.6 ha pa, existing supply will last 27.0 years.

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

Our forecast existing supply data presents an optimistic picture and does not take into account whether or not the land is actually available to the market or suited to market preference in terms of location and zone type.

#### **104 Ryans Road**

The Site which is the subject of this report comprises a 55.5 ha block of land zoned Rural Urban Fringe situated on the northern side of Ryans Road, at the intersection with Grays Road, in Harewood adjacent to the southern edge of Christchurch International Airport. Located nearby is the Christchurch International Airport Limited (CIAL) Dakota Park freight and logistics industrial precinct.

The Site is subject to HPL-LUC2 classification.

The closest comparable industrial land in the vicinity of the Site and airport, of similar zoning, excluding the airport, is Harewood North. In Harewood North, there is just 0.6 ha of freehold industrial land, comprising one site at the rear of 48 Greywacke Road, which is vacant and potentially available for development. The only other vacant land in Harewood North is leasehold land which is not available for freehold purchase and is an undesirable ownership tenure. Vacant leasehold land is available for development by the lessee, however demand for leasehold land for this purpose is significantly lower than vacant freehold land in this locality. Our analysis focuses on vacant freehold land in order to provide a realistic picture of the predominant market.

Essentially there is minimal vacant land in Harewood North available for conventional industrial development.

The Site is a logical addition to the industrial district in the vicinity of the airport, where there is an extreme shortage of vacant freehold industrial land which is readily available for development. Rezoning the Site to Industrial General would contribute to satisfying the pent-up demand for land in this locality, close to Christchurch International Airport.

#### **NPS-HPL**

In terms of freehold industrial land in the vicinity of Christchurch airport and with reference to the tests in clause 3.6 of the NPS-HPL, there is insufficient development capacity in the market and there are limited reasonably practicable alternatives to rezoning the Site.

There are no alternative options that are subject to a Council initiated or adopted notified plan change, the land in Avonhead identified for future urban development is not a reasonably practicable or feasible alternative, and there is a very limited existing supply of freehold vacant land in the vicinity of the airport. Whilst other rural zoned land in the vicinity of the airport might be promoted in the future for rezoning, as at the date of this report, there are no such proposals in the public domain.

There is negligible supply of existing useable vacant industrial land in Harewood. We have therefore included the Site as forming part of the pipeline forecast. If a pessimistic (conservative) take-up of the existing supply plus the Site is adopted, we calculate the capacity would be exhausted in 7.2 years. When the NPS-UD competitiveness margin of 20% is factored in the adjusted capacity reduces to 6.0 years.

Therefore, in the absence of any other reasonably practicable and feasible (i.e. currently proposed/notified) options, the existing supply (capacity) will be exhausted in the short-medium term even with the Site rezoned.

Adopting an optimistic take-up, we calculate the capacity including the site would be exhausted in 3.6 years. When the NPS-UD competitiveness margin of 20% is factored in the adjusted capacity reduces to 3.0 years.

## Conclusion

Currently in Christchurch City there is insufficient existing capacity for industrial land in the short and medium term which we forecast will be exhausted in 6.9 years when the NPS-UD competitiveness margin is factored in.

In the Harewood and airport vicinity, there is almost a complete absence of freehold IG and IH land capacity when leasehold land is excluded. In this locality there is virtually no choice for the market apart from CIAL leasehold land.

The IG and IH zones are broadly similar in terms of development options. The IP land is not considered to be comparable or suitable to satisfy the development capacity shortage in the general 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 Tim Carter of Carter Group Limited to complete research and provide consultancy advice to assist in understanding the Greater Christchurch vacant industrial land market and provide evidence for the resource consent application under the Fast Track Approvals Act 2024 relating to the land at 104 Ryans Road, Harewood and the surrounding area in the vicinity of Christchurch International Airport.

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.
- Consider whether there is or could be an identifiable unique market for industrial land within the vicinity/locality of the property at 104 Ryans Road, Harewood (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 parties and for the following intended use:

- Carter Group 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 intended use stated.

## 2. Industrial Land Data

### 2.1 CCC Vacant Land Survey

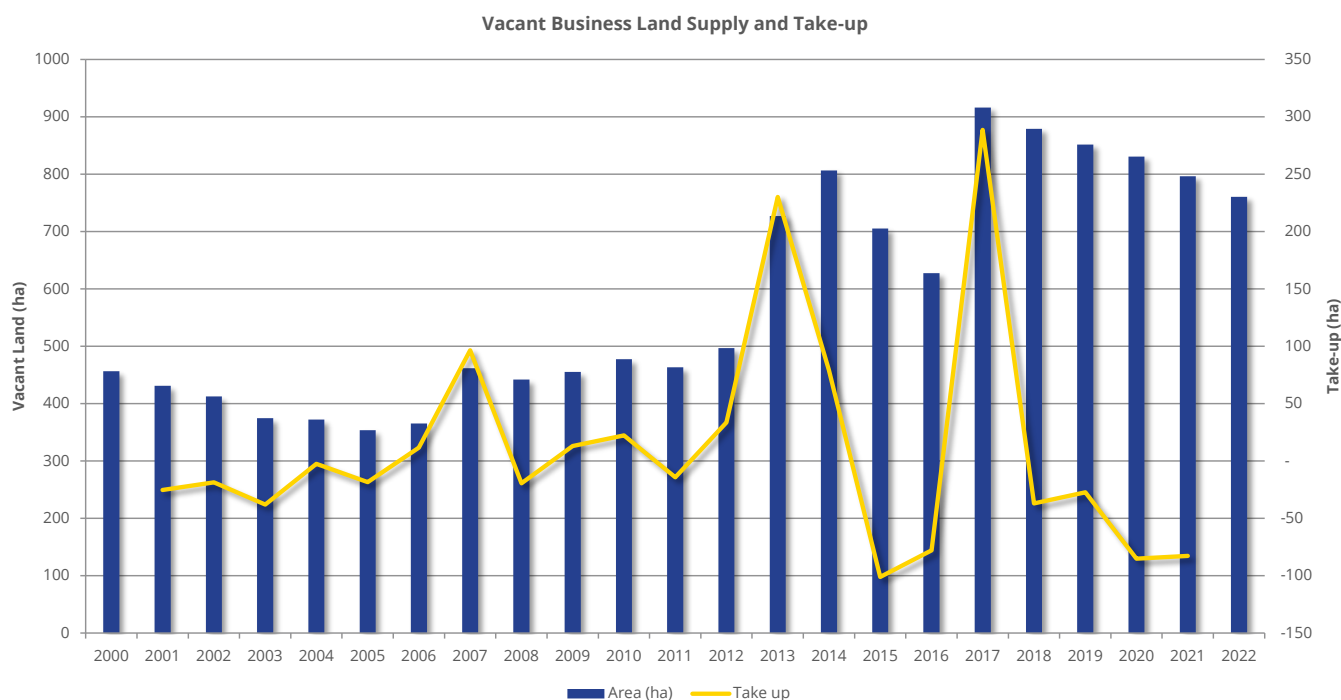
The CCC maintains a Vacant Land Register (VLR) which monitors the supply of vacant industrial land. The CCC VLR was last updated in 2022. The CCC has advised that the VLR is in the process of a major reconfiguration at present and when completed, data will no longer be available to the public and will 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. This increase in take-up is considered to be an aberration when compared to the last recorded four years at 58.1 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.

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 CCC. The following map defines the three geographic areas of North, East and South West. 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.

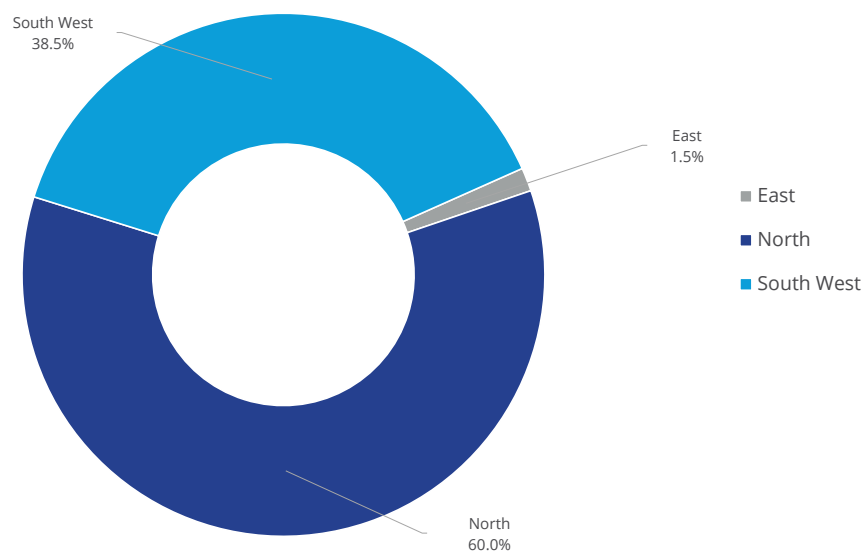
South West is all the remaining land south of the north boundary and west of the east boundary. The following map depicts the geographic locations:



#### CVLS – Geographic – CCC – June 2024

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>

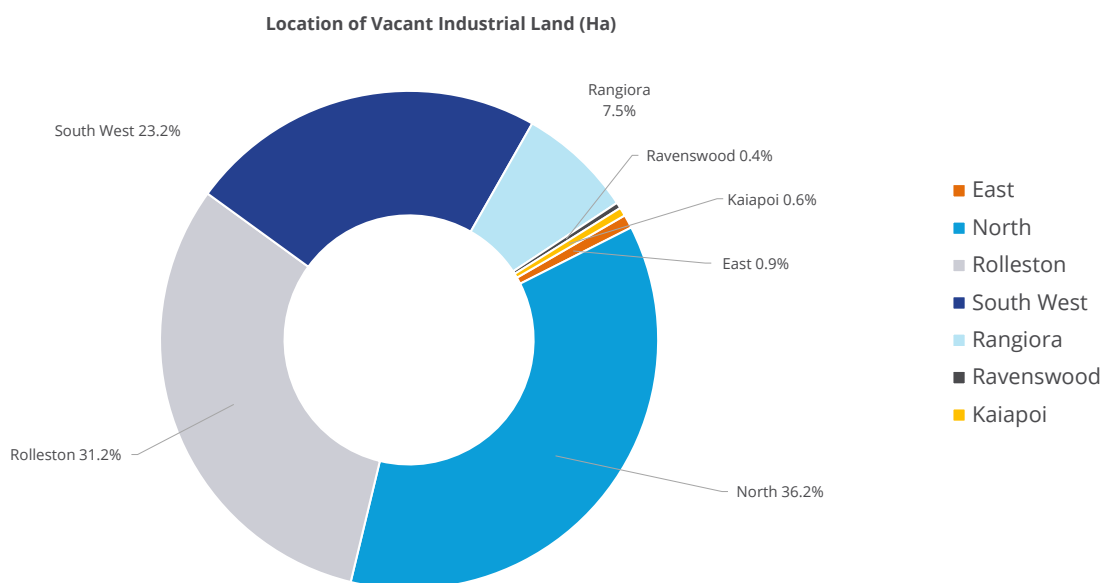
CVLS Geographic - CCC



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 – June 2024

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>

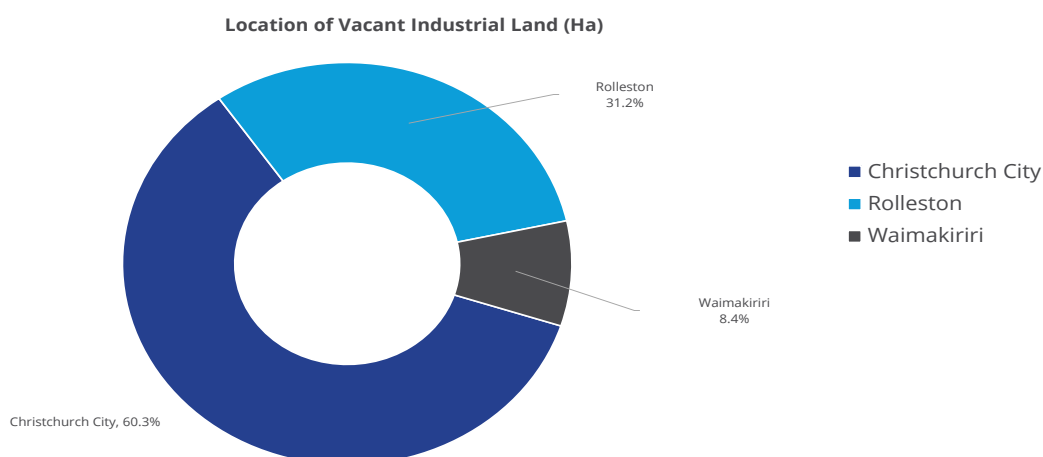


The stock of vacant industrial land in Rolleston was recently significantly increased following rezoning of 27.0 ha under Plan Change (PC) 66 in Maddisons Road on the northern edge of IPort Business Park and further 98.0 ha under PC80 in Two Chain Road on the south western edge of the Rolleston industrial district.

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

#### CVLS – Geographic – Local Authority – June 2024

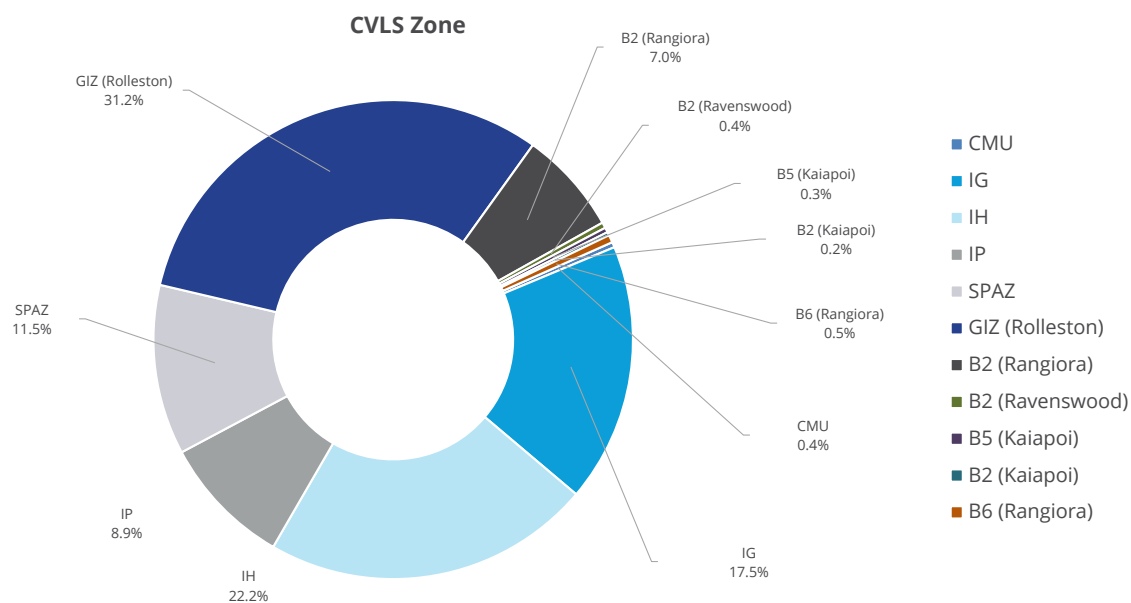
Location	Area ha	Proportion %
Christchurch City	474.8	60.3%
Selwyn – Rolleston	245.7	31.2%
Waimakariri District	66.3	8.4%
<b>Total</b>	<b>786.9</b>	<b>100.0%</b>



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

#### CVLS – Zone – Greater Christchurch – June 2024

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 zone area 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 vacant land area in Christchurch City.

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

#### CVLS – Suburb – Greater Christchurch – June 2024

Suburb	Area ha
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.



## 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 two 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 36 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 36 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, end industrial 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 four principal industrial zones in Christchurch City are:

- Industrial Heavy Zone (IH)
- Industrial General Zone (IG)
- Industrial Park Zone (IP)
- Special Purpose (Airport) Zone (SPAZ)

### 4.1 Industrial Heavy Zone

The Industrial Heavy Zone (IH) 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 industrial 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 Zone (IG) 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 Zone (IP) 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 (Avonhead) and also at Awatea in South West Christchurch.

### 4.4 Special Purpose Airport Zone

The purpose of the Special Purpose (Airport) Zone (SPAZ) is to provide a clear policy framework for the zone and clarity over what activities are anticipated to occur within the zone (not including those provided for by the designation of the land for 'Airport Purposes'). The zone consists of two precincts. The Aviation Precinct is entirely operational airport land. The Development Precinct includes part of the terminals and land effectively outside the 'airport security fence' and includes areas of business development to the north and south of the

main airport area. Predominantly owned by CIAL, the District Plan enables a range of activities including light industrial development, visitor accommodation, entertainment and tourism-based ventures, retail and offices (both subject to limitations on scale within the precinct). Much of the zone is also designated for airport purposes, which enables a range of airport related business activities including car rental.

The zone permits both aviation operations and a range of freight, travel and employee servicing activities together with some business development. This approach recognises the economic benefits from clustering business activities which can share servicing infrastructure and enhance air and highway freight accessibility, a situation that could not be attained in any other business area in the city. However, activities which would result in significant adverse effects on the airport itself, or conflict with the urban growth strategy for the whole of the City, are restricted within the zone provisions.

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

The IH and IG zones are very similar and the industrial real estate market in Christchurch generally makes no distinction between the two in terms of preference and land value.

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 IP zones in the vicinity of Christchurch Airport (being the IP Memorial Avenue and IP Wairakei Road zones) are also subject to: sewer infrastructure constraints and a non-complying activity rule for any development that exceeds specified wastewater discharge limits; and outline development plan requirements that prescribe specific requirements for comprehensive development of each zone.

The SPAZ zone is more restrictive in comparison to the IH and IG zones because of the specified airport related activities. In addition, parts of the airport are subject to Runway End Protection Area (REPA) restrictions which essentially prevent any buildings being constructed on those areas which are located at the end of runways, in particular at the eastern end of the East-West runway.

## 4.6 Proposed Ryans Road Development

We understand the proposed resource consent application for industrial development of the Ryans Road site essentially seeks to provide for activities and site development that is consistent with the IG zone, which we consider is the most suitable taking all factors into account.

Demand for industrial land in this location is likely to be Airport related logistics warehouse activities. The most likely activities at Ryans Road are similar to those which currently exist in the nearby Dakota Park freight and logistics precinct at Christchurch Airport and the IG zone provisions (or consent providing for the same) would be suitable for this activity.



## 5. Harewood Industrial Land Market

### 5.1 104 Ryans Road

The Site is situated on the northern side of Ryans Road, at the intersection of Grays Road, adjacent to the southern boundary of Christchurch International Airport. 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.

The land is zoned Rural Urban Fringe which covers the flat land adjacent to metropolitan Christchurch. The current zone provides for rural productive activities and the use of existing sites between 1.0 ha and 4.0 ha for rural dwellings while avoiding the creation of new sites of less than 4.0 ha for rural dwellings.

The site is currently used for rural activities and contains an area of 55.5 ha which is currently in the ownership of John Mackintosh and Matthew Hall. We understand Carter Group Limited has a purchase contract.

The Site is subject to medium priority HPL-LUC2 classification.



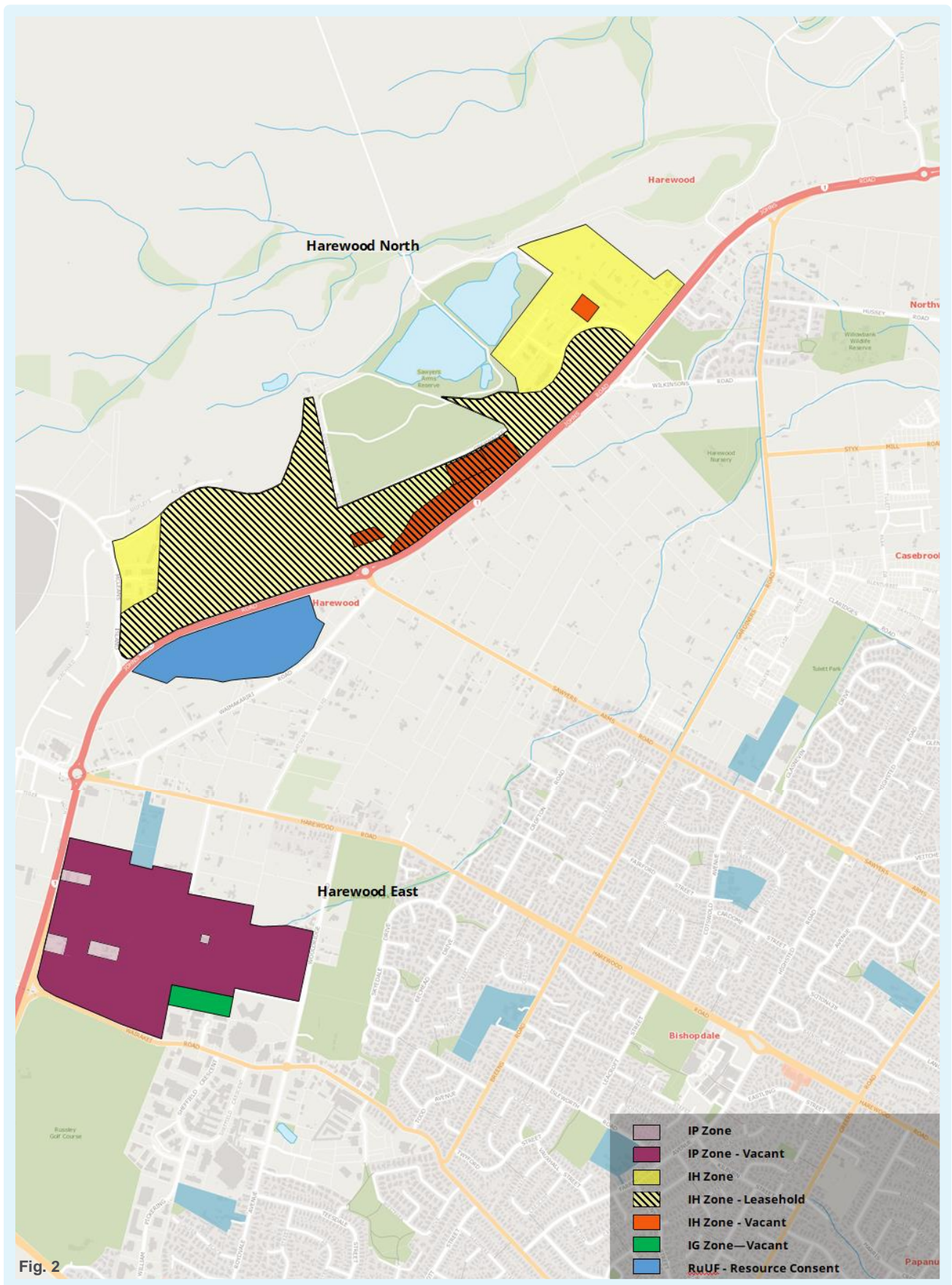
## 5.2 Harewood Industrial District

We have completed detailed analysis of the existing industrial land market in Harewood.

For the purposes of our analysis, we have defined the existing Harewood industrial district geographic boundary (i.e. the locality) as land located to the north west of the established Burnside industrial district defined by Wairakei Road to the south, Russley Road-Johns Road to the west all the way through to the McLeans Island Road intersection, and land to the north of Johns Road and east of McLeans Island Road all the way through to the north eastern end of the IH zone (refer Figure 2 below).

The Harewood industrial district is in general constrained by limited wastewater capacity in this part of the city to varying degrees and accordingly “wet industry” is not permitted.







As illustrated on figure 2 , the Harewood North locality is bounded by the north western side of Johns Road with frontages to McLeans Island Road, Logistics Drive, Brouchs Road, Sawyers Arms Road and Greywacke Road, together with the various cul-de-sacs named Export Avenue, Nathan Place, Lakes Way, Lakeside Place and Outlook Place. This locality has been analysed in-depth and is considered to be broadly comparable in terms of location to the Site at Ryans Road. As discussed further below, we are of the opinion Harewood North is distinctly different to the remainder of the Harewood industrial district which we have named Harewood East.

Harewood East is predominantly located between Wairakei Road and Harewood Road, and to the east of Russley Road through to Wooldridge Road.

### 5.3 Harewood North Industrial District Profile

The Harewood North industrial district is all zoned IH which permits a wide range of industrial related activities although a large number of properties in this district are utilised for yard-based activities.

Major large yard-based businesses operating in Harewood North include Airpark Canterbury, Porter Group, Royal Wolf, Firth Industries, Canterbury Concrete, Carters, Smiths Cranes and McVicar Timber. There are a number of activities which are directly related to Christchurch International Airport including Airpark Canterbury and various rental car and motorhome depots/storage yards.

Harewood North is a unique industrial land 'sub-market' of the Harewood district which is located directly adjacent to Christchurch International Airport and is the most accessible to the Airport in terms of time and distance. This distinguishes it from Harewood East which comprises predominantly IP zoned land where there is very limited demand and negligible take-up. Most land in the Christchurch International Airport Precinct, west of Russley Road and south of McLeans Island Road is owned by CIAL and is only available via leased land/buildings.

To illustrate the limited role that the CIAL owned SPAZ land plays in the Christchurch industrial land market, we have analysed the take-up rate over the last 3.75 years between 2020 and to 2024 of three comparable industrial locations. The following table provides take-up analysis of the leasehold (CIAL) and freehold land in the SPAZ zone at Christchurch Airport, the Hornby South/Islington and Rolleston locations. Note, the Rolleston analysis allows for the land recently rezoned. The following table provides a summary:

Location Take up Analysis			
Location	2020 Supply ha	2024 Supply ha	Take up %
SPAZ - CIAL	86.7	82.2	5.2
SPAZ - Non CIAL	11.6	8.0	31.0
Hornby South/Islington	228.4	159.4	30.2
Rolleston - Adjusted for Rezoning	180.8	120.7	33.2

The take-up of CIAL owned SPAZ land over 3.75 years was 4.5 ha (5.2%). The take-up of the freehold SPAZ land was 3.6 ha (31%). At Hornby South/Islington the take-up was 69.0 ha (30.2%) and at Rolleston the take-up was 60.1 ha (33.2%). In the three comparison locations the take-up of industrial land during 3.75 years was between 30.2% - 33.2%. The corresponding analysis for the CIAL owned SPAZ land at Christchurch airport was just 5.2%, which illustrates the significantly more limited demand/take up of this leasehold tenure land.

Therefore, we consider it is valid to exclude the CIAL owned SPAZ land at Christchurch airport from our capacity analysis and calculations.

The closest alternative industrial district to the airport is Burnside, which is further away and where there is only minimal vacant land (0.9 ha) available.

There are a large number of airport related businesses who wish to occupy land/buildings which are not controlled by CIAL where premises costs are generally higher than off airport land and/or wish to have freehold ownership.

Therefore, there is strong demand for land in the immediate proximity of Christchurch International Airport, as is the case in many other cities in New Zealand, which is not constrained by leasehold tenure.

Currently Orchard Road within the Christchurch International Airport precinct, terminates just metres from McLeans Island Road near the roundabout intersection of McLeans Island Road and Broughs Road. It appears likely that this section of Orchard Road will be extended through to the intersection in due course which will result in enhanced access to and from the Airport precinct.

Harewood North has the benefit of fronting Johns Road (SH.1) although there are only a limited number of properties which have vehicular access to it. Properties in Logistics Drive, Sawyers Arms Road and Greywacke Road together with Johns Road all enjoy high profile visibility.

Located on the southern side of Johns Road, opposite Harewood North, at 711 Johns Road is a large, specialised motor vehicle storage and distribution facility operated by The Car Distribution Group comprising 14.4 ha which is zoned Rural Urban Fringe but subject to a Resource Consent for this activity. This land is one of two sites identified as a greenfield priority area for business land in the Canterbury Regional Policy Statement 2016 (CRPS) - Map A for Greater Christchurch. Notwithstanding the Greenfield Priority Area identification, the land is now developed and occupied for industrial related activities via a Resource Consent and is therefore not available to satisfy demand for additional industrial land.

## 5.4 Harewood North Ownership Profile

The total industrial land area in Harewood North is 81.2 ha and there are a total of 63 individual properties.

A major proportion of the land area comprising 56.3 ha (69.3%) is owned by ECan with most properties subject to a long term perpetually renewable ground lease. This ECan land is held for potential flood protection works and is not available for freeholding. The ground lessees in many cases have constructed their own buildings. In Christchurch there is limited leasehold land in the industrial and commercial markets and consequently this ownership tenure is not well understood by the market and is considered to be much less desirable than conventional freehold land. Leasehold investment properties have historically transacted at a discount in terms of investment yield reflecting the more limited saleability of this form of investment property.

Land at the nearby Christchurch International Airport is only available on a pure leasehold basis with the airport company owning the land and the buildings, with no leasehold ownership available.

## 5.5 Harewood Vacant Industrial Land Metrics

Within the combined Harewood industrial area, excluding the Airport precinct, there are three existing zones:

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

The IP zone recognises and provides for industrial activities in high technology 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, while having negligible effects in terms of noise, odour or use and storage of hazardous substances.

In the Harewood East area, land zoned IP is located in Wairakei Road, Russley Road, Stanleys Road, Sir Angus Tait Drive and Wooldridge Road.

The following table summarises the vacant industrial land zone profile of Harewood:

Zone Summary		
Zone	Area ha	%
Industrial Heavy	7.3834	13.8%
Industrial General	1.9585	3.7%
Industrial Park	44.0111	82.5%
<b>Total</b>	<b>53.3530</b>	<b>100.0%</b>

The most comparable land to the Site is the IH and IG zoned land all of which is located in Harewood North and Harewood East.

### Harewood North

In the Harewood North area, there are four vacant sites out of a total of 63, comprising an area of 7.4 ha or 9.1% of the total area of 81.2 ha. Of the total vacant land area of 7.4 ha, 6.8 ha or 92.2% is leasehold land.

Harewood North				
Address	Area ha	Zone	Tenure	
600 Johns Road	5.0000	IH	Leasehold	
522 Sawyers Arms Road - Front	0.6000	IH	Leasehold	
530 Sawyers Arms Road - Rear	1.2080	IH	Leasehold	
48 Greywacke Road	0.5754	IH	Freehold	
<b>Total</b>	<b>7.3834</b>			

Within the vacant leasehold land category, the property at 600 Johns Road is owned by ECan but not subject to ground lease and appears to be held for their own use.

The only vacant freehold land comprises part of the property at the rear of 48 Greywacke Road. This land area makes up just 7.8% of the vacant land area or 0.7% of the total industrial land area in Harewood North.

## Harewood East

The following is a summary of the vacant industrial land in Harewood East:

Harewood East				
Address	Area ha	Zone	Tenure	
656 Wairakei Road	4.9675	IP	Freehold	
750 Wairakei Road	3.0390	IP	Freehold	
570 Russly Road	0.8292	IP	Freehold	
63 Stanleys Road	2.8960	IP	Freehold	
69 Stanleys Road	2.2205	IP	Freehold	
75 Stanleys Road	1.7500	IP	Freehold	
79 Stanleys Road	2.4550	IP	Freehold	
95 Stanleys Road	2.4280	IP	Freehold	
560 Russely Road	4.5939	IP	Freehold	
580 Russley Road	3.4690	IP	Freehold	
2 Sir Angus Tait Drive	0.4992	IP	Freehold	
6 Sir Angus Tait Drive	0.6102	IP	Freehold	
6 Stanleys Road	1.9585	IG	Freehold	
32 Stanleys Road	2.2511	IP	Freehold	
52 Stanleys Road	2.0234	IP	Freehold	
66 Stanleys Road	4.3299	IP	Freehold	
253 Wooldridge Road	1.6633	IP	Freehold	
257 Wooldridge Road	2.2587	IP	Freehold	
279 Wooldridge Road	1.7272	IP	Freehold	
<b>Total</b>	<b>45.9696</b>			

There is a significant area of land (44.0 ha) zoned IP which is vacant in Harewood East. This zone was designed to encourage further technology-based industry in the Burnside/Harewood area building on the original tech base established by the major Tait Communications complex.

The zone has not attracted any significant development during the last 10 years and accordingly this large area of land has remained essentially vacant. This area has no wastewater capacity.

The IP zone in Harewood East is unsuitable for the type of activities which are located in Harewood North and accordingly this area of Harewood does not to satisfy the market demand requirements for industrial land in this locality including airport related activities.

There is a small isolated 2.0 ha area of vacant IG land in Stanleys Rd adjacent to the IP zone.

We conclude the absence of development activity in Harewood East results from a combination of the lack of demand for IP zoned land, fragmented ownership and wastewater capacity constraints.

## 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. 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.

Prior to mapping of HPL in a Regional Policy Statement, land that is LUC 1-3 is treated as HPL, except for land that is identified for future urban development, or is subject to a Council initiated or adopted notified plan change to rezone it from general rural or rural production to urban or rural lifestyle.

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. However, in brief, a key consideration for the urban rezoning of HPL which is relevant to this report, is whether there are other reasonably practicable and feasible options for providing development capacity within the same locality and market.

### 6.2 Same Locality and Market

As described in the previous section of this report, the relevant 'locality and market' relates to the Harewood and airport environments 'locality' and the industrial (particularly freehold and logistics) 'market'.

### 6.3 Future Urban Development Areas or Rezonings

With the exception of land identified as a Greenfield Priority Business Area at Avonhead West, there is no land in the same locality and market as the site that is 'identified for future urban development' as defined in the NPS-HPL, or is subject to a Council initiated or adopted, notified plan change to rezone it for industrial purposes.

## 6.4 Reasonably Practicable 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<sup>1</sup>.

As at the date of this report and as noted in the subsection above, there are no publicly notified Council or private plan change requests to rezone land for industrial purposes in this locality and market and the only future development area is situated at Avonhead.

Accordingly, aside from Avonhead, which is assessed in further detail below, there are no alternative options (practicable, feasible or otherwise) to the proposal that provide additional development capacity.

## 6.5 Avonhead

The following plan at Figure 3 depicts the Avonhead North, Avonhead West and Avonhead East land which collectively forms the 'Avonhead' locality referred in this report

Located to the south of the intersection of Memorial Avenue and Russley Road is large a block of vacant IP zoned land (Avonhead North) comprising 21.6 ha held in five titles. The majority of this holding (82.0%) is owned by Miles Premises Limited. Development of this land under the IP zoning has proved challenging over a number of years. The land is presently zoned IP, and it is not subject to any notified proposals to rezone it IG or IH.

The Avonhead North block was recently identified as forming part of two Unlisted Projects in the new Fast-track Approvals Act. The land at the intersection of Russley Road and Memorial Avenue (400 Russley Road & 475 Memorial Avenue) was identified as the site for the Miles Group Automotive Hub, and the properties at 500 & 520 Avonhead Road and 470 Memorial Avenue were identified as the site for the Avonhead Road Residential Project comprising 8.0 ha to be rezoned Medium Density Residential. The land for both projects is owned by Miles Premises Limited.

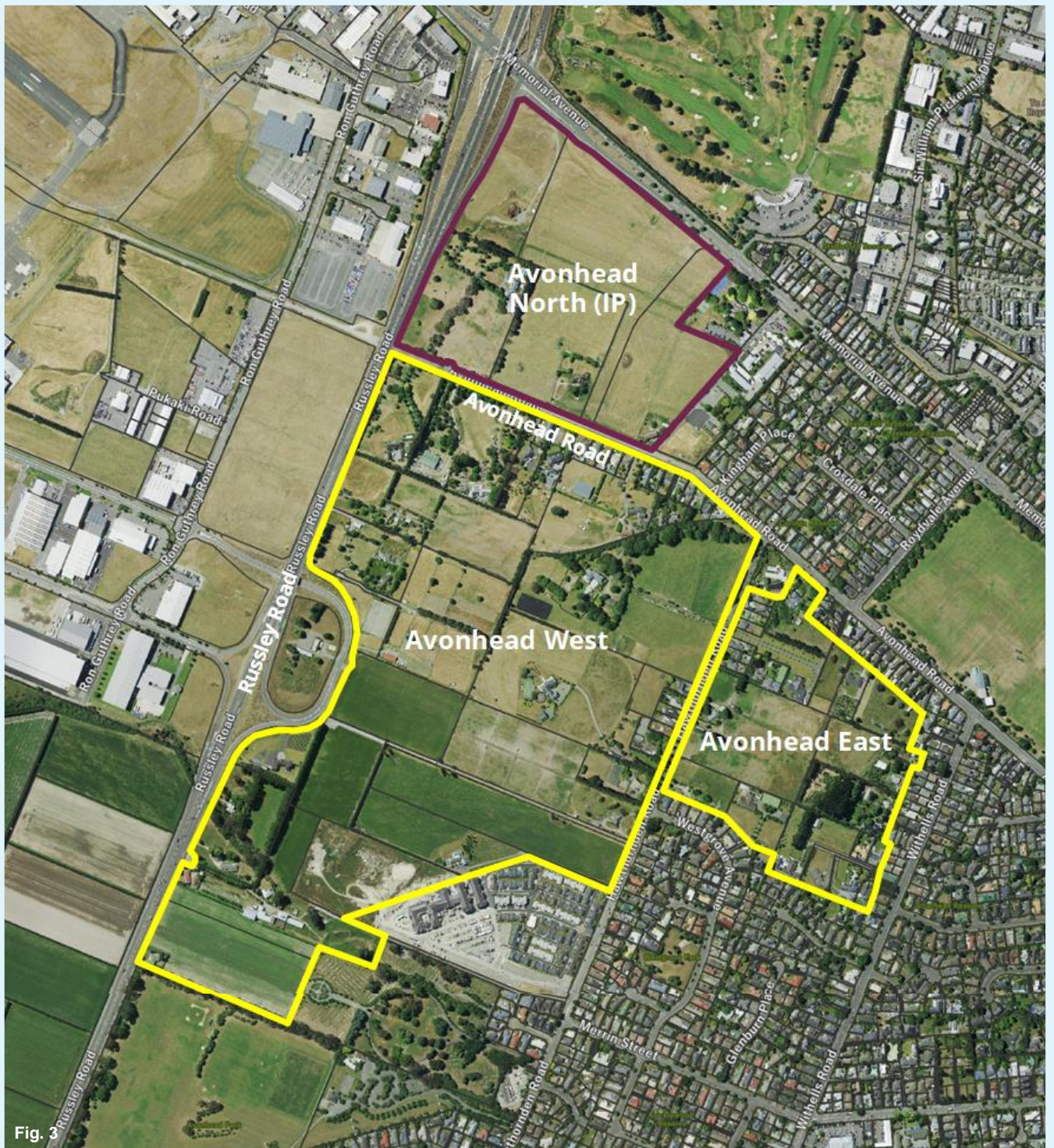
Given the context above (and noting the land is already zoned IP and is not proposed to change), the Avonhead North land is not a reasonably practicable and feasible alternative option for providing industrial development capacity in the same locality and market.

Located on the southern side of Avonhead Road, between Russley Road and Withells Road, are two blocks of Rural Urban Fringe zoned land held in multiple titles. Further residential subdivision is restricted in this area by the Christchurch Airport Air Noise Contours, hence the existing Rural Urban Fringe zone, notwithstanding the surrounding area is predominantly conventional residential housing.

---

<sup>1</sup> [NPS-Highly-Productive-Land-Guide-to-implementation.pdf](#)





The total area of the western block (Avonhead West) at the intersection of Russley Road and Avonhead Road comprises 51.6 ha which is held in 43 titles. There is a significant number of conventional residential properties at the Avonhead Road frontage and spread throughout the remainder of the block are a number of large high quality residential dwellings, many of which have associated improvements such as swimming pools and tennis courts. Adjoining the south eastern corner of the block is the Summerset Retirement Village development.

Within the Avonhead West block, the property at 76 Hawthornden Road was recently identified as an Unlisted Project in the new Fast-track Approvals Act. The project is named Hawthornden Road Residential Development and relates to 4.0 ha to be zoned Medium Density Residential. This land is owned by Graeme Heazlewood & National Trustees Limited - Trustees of the Equus Trust.

The smaller eastern block of rural land (Avonhead East) at the intersection of Avonhead Road and Hawthornden Road contains a total area of 16.2 ha and is held in 25 titles, many of which are conventional residential properties. This block of rural land is surrounded by residential zoning adjacent to the northern, eastern, and southern boundaries.

Given the context above and the impetus for residential development, the northern part of the Avonhead West land and the Avonhead East land are not a reasonably practicable and feasible alternative option for providing industrial development capacity in the same locality and market.

The southern section of the Avonhead West block is identified as one of two Greenfield Priority Areas (Business) in the CRPS for Greater Christchurch (and in Our Space), so is relevant, insofar that this land has been 'identified for future urban development' as defined in the NPS-HPL. The land area identified for future urban development comprises 38.5 ha which represents 74.5% of the Avonhead West block or 56.7% of the entire combined Avonhead West and East blocks.

Both blocks of land are classified as HPL – LUC 2. In our opinion neither block is likely to be suitable for rezoning to industrial, particularly the smaller block, east of Hawthornden Road which is surrounded by residential zoning and contains a number of expensive dwellings with high quality associated improvements.

Rezoning the Greenfield Priority Area component of 38.5 ha may prove challenging given the major street frontages are either Russley Road (SH1) and Hawthornden Road, which is a residential street, and the proximity of residential activities, including a large retirement village. In any case the potential zone is likely to be IP and not IH or IG. Wastewater, ground water and transport are also potential constraints that must be considered when considering the alternative rezoning options in this general locality.

Given these circumstances, the extended timeframe that this land has remained unzoned despite its identification as a Greenfield Priority Business Area and in the absence of any public proposals to rezone the land, we consider the southern section of the Avonhead West block is not a reasonably practicable and feasible alternative option for providing industrial development capacity in the same locality and market.



## 6.6 Summary

The subject site at 104 Ryan Rd will effectively form an extension of the existing CIAL Dakota Park freight and logistics precinct. The high value strategic position of the Site with the potential for airside access will make it uneconomic to be developed with anything less than premium quality logistics buildings and associated offices.

With the exception of land identified as a Greenfield Priority Business Area at Avonhead, there is no land in the same locality and market as the site that is identified for future urban development, or is subject to a Council initiated or adopted, notified plan change (or private plan change) to rezone it for industrial purposes.

The Greenfield Priority Business Area component of the Avonhead West block is constrained by transport access and residential neighbour issues, and at best is likely to be rezoned the less preferred IP which serves a different 'market'. However, given these constraints and in the absence of any proposals to rezone the land, we do not consider this land provides a reasonably practicable and feasible alternative option for providing industrial development capacity in the same locality and market as the site.

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 industrial land take-up data is the CCC VLR which relates to just the CCC geographic area. WDC has discontinued its vacant industrial land register in Waimakariri District and SDC has never compiled a vacant industrial 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 CVLS for Greater Christchurch measured a total existing vacant land supply of 786.9 ha. Colliers previously completed a CVLS in September 2020, 3.75 years prior, when the total existing 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.

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

When forecasting how long the existing 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 unusable.

The following is a summary of our adjusted total existing supply for Greater Christchurch:

<b>Colliers Adjusted Supply – Greater Christchurch</b>		
Total CVLS 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 CVLS</b>		<b>716.5 ha</b>

Adopting a land take-up of 57.4 ha pa indicates there is sufficient existing 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.

Excluding the CIAL supply of vacant land of (82.2 ha) reduces the effective existing vacant land area to 634.2 ha which indicates a sufficient supply for **11.0 years**.

When the NPS-UD competitiveness margin of 20% in the short and medium term is factored in then the adjusted capacity in Greater Christchurch will be exhausted in **9.2 years**.

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

<b>Colliers Adjusted Supply – Christchurch City</b>		
Total CVLS 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 CVLS</b>		<b>404.4 ha</b>

Excluding the CIAL supply of vacant land (82.2 ha) reduces the effective existing vacant land area to 322.1 ha, which indicates a sufficient supply for **8.3 years**. Allowing for the NPS-UD competitiveness margin (20%), the adjusted capacity in Christchurch City will be exhausted in **6.9 years**.

**In summary, whichever methodology is used to analyse the supply of existing 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 6.9 years and 9.2 years.**

Our forecast supply data presents an optimistic picture and does not take into account whether or not the land is actually available to the market or suited to market preference in terms of location and zone type.

We have also completed analysis of the principal industrial zones of IG, IH 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 existing 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 existing 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**.

In contrast the IP analysis indicates that at the take up rate of just 2.6 ha pa, existing supply will last 27.0 years.

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

## 7.2 Harewood Market

The Harewood locality as defined in this report is the closest of airport industrial land where there is strong demand for airport/transport infrastructure activities. The limited activity in the Harewood industrial land market due to the mix of leasehold tenure (CIAL & ECan ownership) and virtually no supply to feed demand makes it impossible to analyse or forecast real demand.

Even though Harewood is in the North geographic area of Christchurch City, it is distinctly different in character to other major industrial areas in North Christchurch at Belfast and Bridgend (Kainga). Both Belfast and Bridgend are far removed from Christchurch International Airport and are considered to be second tier quality industrial locations in Christchurch. No airport related or dependent activities are located in these two locations.

The following map at Figure 4 depicts the individual industrial locations of these suburbs within the North Christchurch area:

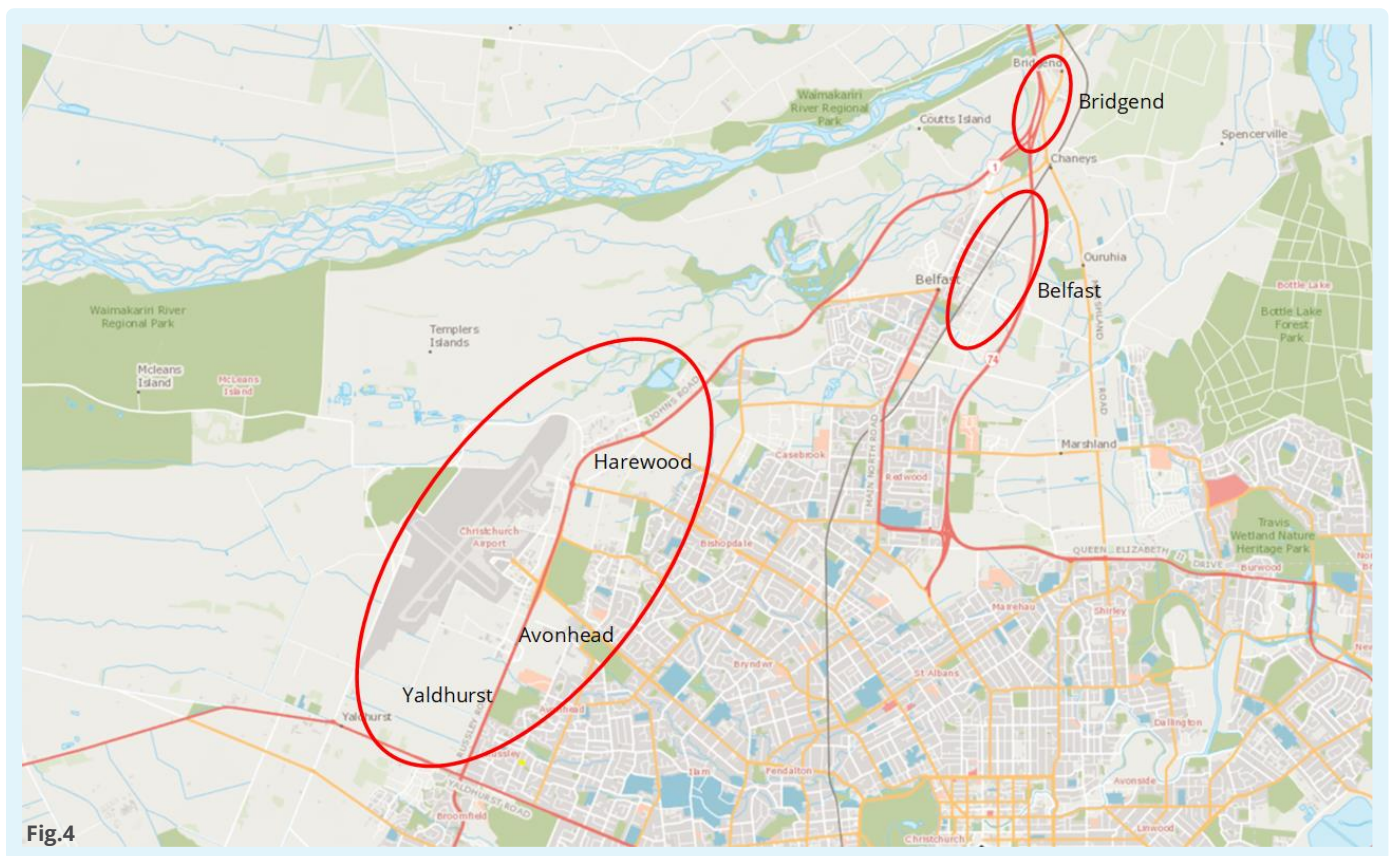


Fig.4

As described in the previous section of this report, the Site, as at the date of this report, is the only reasonably practicable and feasible option for providing at least sufficient development capacity within the deprived and constrained Harewood locality and market close to Christchurch International Airport.

The Site at Ryans Road, if rezoned or consented for industrial activity, will be of high value given it essentially adjoins the airport. Therefore, it will be uneconomic for yard based airport related activities, and it will be developed with high site coverage logistics warehouse buildings, similar to the existing building development in the adjoining CIAL Dakota Park freight and logistics precinct.

The significant areas of land zoned IP in Harewood East and Avonhead North are not considered to be a viable option to provide capacity for IG zone type land.

Likewise, the land at Avonhead East and Avonhead West, which when and if zoned is likely to be IP, is also not considered to be a viable option for IG or IH zoning given the proximity of adjacent residential housing and transport access constraints from Russley Road (SH. 1).

Noting the above, the proposed development will provide much needed additional capacity in Harewood.

It is impossible to analyse the historic take-up in Harewood as there is/has been no/limited supply. As a substitute we have analysed take-up in Hornby South/Islington over the last 3.75 years. Take-up in this next best comparable location was 18.4 ha pa. For the purposes of the Harewood pipeline forecast we have initially adopted a pessimistic take-up rate of 50% of the Hornby South/Islington rate (9.2 ha pa). The addition of this capacity (the Site) would increase the effective pipeline in Harewood including existing vacant zoned land to 7.2

years. Factoring in the NPS-UD 20% competitiveness margin the pipeline reduces to 6.0 years. The following table summarises this position:

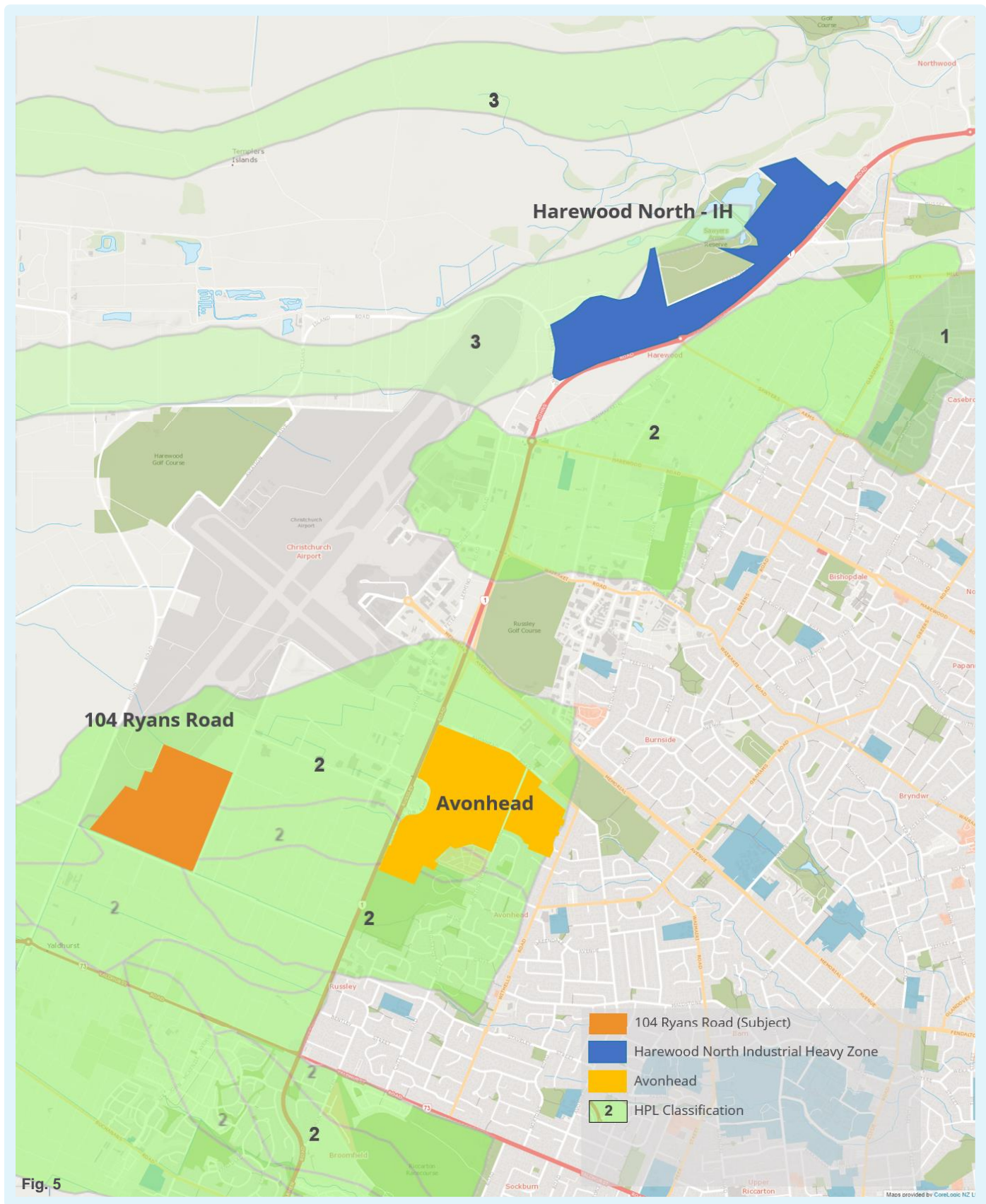
<b>Adjusted Rezoned Harewood Take up &amp; Supply - Pessimistic</b>			
<b>Location</b>	<b>2024 Supply ha</b>	<b>Take up ha pa</b>	<b>Supply yrs</b>
SPAZ - Non CIAL	8.0		
Harewood North - IH	0.6		
Harewood East - IG	2.0		
Ryans Road - Rezoned IG	55.5		
<b>Net Harewood</b>	<b>66.1</b>	<b>(9.2)</b>	<b>7.2</b>
<b>Competitiveness Margin @ 20%</b>		<b>(11.0)</b>	<b>6.0</b>

If we adopt an optimistic take-up rate, the same as Hornby South/Islington (18.4 ha pa), the addition of this capacity (the Site) would increase the effective pipeline in Harewood to 3.6 years. Factoring in the NPS-UD 20% competitiveness margin the pipeline reduces to 3.0 years. The following table summarises this position:

<b>Adjusted Rezoned Harewood Take up &amp; Supply - Optimistic</b>			
<b>Location</b>	<b>2024 Supply ha</b>	<b>Take up ha pa</b>	<b>Supply yrs</b>
SPAZ - Non CIAL	8.0		
Harewood North - IH	0.6		
Harewood East - IG	2.0		
Ryans Road - Rezoned IG	55.5		
<b>Net Harewood</b>	<b>66.1</b>	<b>(18.4)</b>	<b>3.6</b>
<b>Competitiveness Margin @ 20%</b>		<b>(22.1)</b>	<b>3.0</b>

The following plan at Figure 5 outlines the geographic position of the IH and IG zoned land at Harewood North and Harewood East and the Site at 104 Ryans Road:





## 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 industrial 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 Harewood where there is virtually no 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**.

*It is unclear if there have been any proposals that would supply significant development capacity submitted to Christchurch City Council to date. The Ryans 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 Ryans Road site will contribute to supplying industrial land that will satisfy 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 Greater Christchurch will be exhausted in 11.0 years at best. In all likelihood, this will occur 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. 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 Harewood, 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 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 9.2 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.*

#### 7.3.2 NPS-HPL

##### Clause 3.6.1 (b)

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.*

*There are no Council or private plan changes to rezone land to IG in the Harewood airport locality and market. Avonhead is identified for future development, however it is highly unlikely to be rezoned IG or IH given the surrounding residential/sensitive uses in close proximity. At best, parts of Avonhead may be rezoned IP. Therefore, in our opinion Avonhead can be discounted and ruled out as an alternative industrial zone option.*

*Accordingly, the proposal at 104 Ryans Road is presently the only option to provide sufficient development capacity in the Harewood airport locality and market.*

#### 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 described earlier in this report, there are no other 'reasonably practicable options' for providing additional industrial development capacity in this locality and market, in the form of areas identified for future urban development or notified plan changes to rezone land IG.*

#### 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 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 Harewood Industrial Land Summary

The land, which is the subject of this consultancy report, is zoned Rural Urban Fringe Zone and is located adjacent to the southern boundary of Christchurch International Airport and close to the CIAL Dakota Park freight and logistics precinct.

In Harewood North, there is just 0.6 ha of (zoned) freehold industrial land, comprising one site at the rear of 48 Greywacke Road, which is vacant and potentially available for development. The only other vacant land in Harewood North is leasehold land which is not available for freehold purchase and not considered to be appropriate for supply analysis. At Christchurch International Airport the only vacant non CIAL owned land (8.0 ha) is to a large extent impacted by REPA restrictions, and the only other vacant industrial land is 2.0 ha in Harewood East zoned IG in Stanleys Road which adjoins the IP zone and is in an isolated position.

Essentially there is minimal existing vacant land in Harewood available for conventional industrial development.

The Site at 104 Ryans Road comprising approximately 55.5 ha, is a logical extension to the Harewood industrial district where there is an extreme shortage of vacant freehold industrial land available for development. Rezoning the land to IG or consenting the same, would satisfy the pent-up demand for land in this immediate locality, close to Christchurch International Airport, and close to the Pound Road – McLeans Road Bypass route linking the Christchurch Northern and Southern Motorways.

## 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 consultancy 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 intended use to which it refers. No responsibility whatever is accepted for reliance on the valuation consultancy report for other intended users. 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  
CVAS (CHC) Limited trading as Colliers



**GARY SELLARS** FNZIV, FPINZs

Consultant  
Registered Valuer  
M: +64 21 631 321  
E: gary.sellars@colliers.com

Research & Analysis	Gary Sellars & Paul Koster
Authoring of Report	Gary Sellars

Contact Details: CVAS (CHC) Limited (trading as Colliers)  
Level 2, Anthony Harper Tower  
62 Worcester Boulevard  
PO Box 13478  
Christchurch 8013  
Phone No. (03) 379-6280