



The Terrace between Cashel Mall and Worcester Street opened in 2016 and form part of Te Papa Ōtākaro/Avon River Precinct.



**“ONCE THE KEY PROJECTS ARE COMPLETED, CHRISTCHURCH WILL BOAST A LEVEL OF AMENITY AND INFRASTRUCTURAL BENEFITS WAY BEYOND THAT OF ANY OTHER CITY OF THIS SIZE.”**

LIANNE DALZIEL, MAYOR OF CHRISTCHURCH

economic development agency which champions the ‘supernodes’ of aerospace and future transport, food, fibre and agritech, health-tech and a high-tech ecosystem.

“Christchurch is a strong economic, logistics, service and tertiary knowledge hub, it has New Zealand’s second largest international airport, its second largest export seaport and is the gateway to Antarctica.

“We’re exploring aerospace, trialling autonomous vehicles, writing more code than anywhere else in the country, pushing boundaries in the agri-sector, and providing education excellence at all levels.”

Dalziel thinks Christchurch is a logical base for proactive businesses who care about their staff, and while the Council does not offer incentives as such for businesses to relocate to the city, she says the fundamentals speak for themselves.

“Housing is more affordable, the city doesn’t have the transport woes that beset other centres and it bats above its weight in terms of amenities.”

She believes that the greater Christchurch area from Rolleston to Rangiora could sustainably grow its population to one million – effectively doubling today’s numbers.

“I think it’s achievable if we work collaboratively – we have the room, the resources and the infrastructure to underpin that sort of growth.”

Dalziel identifies challenges ahead in becoming a truly international-class city including getting more people living within the city’s four avenues and improving the public transport network to allow more efficient connectivity within greater Christchurch.

While admitting that some of the rebuild work has taken considerably longer to come to fruition than hoped, Dalziel says we must look at how far the city’s come.

“As well as activity across the key anchor precincts, the Terrace and the Riverside Market are truly flagship developments and the soon-to-be-completed Te Papa Ōtākaro/Avon River Precinct will be transformative.

“The Convention Centre is close to completion, the Metro Sports facility is emerging, and the proposed new multi-use arena is currently in the market for a head contractor.

“Aside from Crown-led development, there’s also been significant private sector development, including some outstanding refurbishment of heritage buildings.”

Anything is possible in Christchurch says Dalziel, because as a testing ground for new ideas, it’s “small enough to fail, and big enough to build to scale”.

“Experimentation, innovation and creativity can thrive here as identified by ChristchurchNZ, the city’s sustainable

collaboratively in difficult times, has been highlighted.

“I believe Christchurch is New Zealand’s city of the future,” she says, adding it’s the country’s oldest established city by Royal Charter and the newest in terms of building and infrastructure.

“Once the key projects are completed, Christchurch will boast a level of amenity and infrastructural benefits way beyond that of any other city of this size.”

# The city where anything is possible

**EMBODYING GRIT, A PIONEERING SPIRIT AND A HEALTHY DOSE OF INNOVATION, IS CHRISTCHURCH NEW ZEALAND’S CITY OF THE FUTURE?**

IN 2016, CHRISTCHURCH INTERNATIONAL Airport chief executive Malcolm Johns dubbed Christchurch “the Goldilocks city” after independent research showed that the majority of residents felt it offered all the benefits of a larger city – without the stresses.

The “just right” view is shared by Mayor Lianne Dalziel, who goes further to say that Christchurch is the city “where anything is possible”.

Ten years on from the landmark earthquake events that forced a total reimagining of New Zealand’s second-largest urban centre and having navigated a terrorist attack and a global pandemic, Christchurch is in good heart.

Dalziel says despite challenges to its structural, social, cultural, environmental and economic foundations, the Canterbury spirit and the ability to pivot and work

## KEY PROJECTS

Ōtākaro is the Crown-owned company tasked with delivering the Government-committed central city anchor projects following the Canterbury earthquakes.

Its general manager property and operations, Keith Beal, says Ōtākaro was effectively born out of a crisis, so the global pandemic didn’t derail them.

“Our priority remains the delivery of amazing facilities and spaces that encourage social and economic activity in central Christchurch and the pandemic only increased the need for us to deliver this outcome as soon as we can.”

Beal says the Te Papa Ōtākaro/Avon River Precinct anchor project will be completed around April this year, when the North Frame pedestrian bridge opens.

“This award-winning anchor project is the largest public realm transformation undertaken in New Zealand and has significantly enhanced the central city section of the Avon River,” he explains.

“Construction of Te Pae Christchurch Convention Centre is expected to be completed around the middle of the year with the first events to be held later in the year, following a commissioning period, and it will be New Zealand’s only purpose-built convention centre when it opens.”

Beal says the bulk of the South Frame will be completed this year, creating a garden-lined walking and cycling route from the largely-residential East Frame to the Health Precinct. Significant progress has also been made on the aquatic and recreational Metro Sports Facility – the largest of its kind in the country – with completion expected late-2022.

Beal says work flow was disrupted due to the COVID-19 lockdown and subsequent restrictions, however, it is the global supply chain and border closures that are now having an impact.

“This has delayed delivery of some materials and we have equipment specialists to get in from overseas and through the quarantine process to oversee the installation of the pools at the Metro Sports Facility, for example.”

Beal says there is now 20,000sqm of land throughout the central city to be divested by Ōtākaro. This land was acquired by the Crown under the Canterbury Earthquake Recovery Act 2011 and is now not required.

“Market uncertainty temporarily paused interest in land transactions, but a number of significant divestments have been concluded in the last quarter with sectors like medical, research and residential strengthening.

“Interest in retail, hospitality and commercial office remains soft, but these areas were already sluggish prior to COVID-19.”





New Zealand's only purpose-built convention centre, Te Pae Christchurch is scheduled to be completed mid-2021. Photo credit: Ōtākaro Limited

Beal says the Crown is encouraging Ōtākaro to take the big picture – not just the bottom dollar – into account when divesting land, which allows them to consider the long-term potential a piece of land holds to make central Christchurch a more enjoyable place to be.

Crown-led regeneration projects have encouraged significant private investment and development in the city and provided market confidence, according to Beal.

“The Riverside Market development which adjoins the Te Papa Ōtākaro/Avon River Precinct is a prime example of how these private and public developments can benefit each other and it’s why we chose developer Richard Peebles when divesting the land the market now sits on.

“Likewise, the lanes that surround the Little High Eatery as part of the South Frame, break up what were large city blocks and create more street frontage for private developments to open out onto in the future.

“And construction of Te Pae Christchurch Convention Centre has encouraged hotel operators to return to the central city, as they can see there’ll be demand for beds from business travellers.”

The pace at which the residential housing market has moved and progressed has surprised Beal, with Ōtākaro and its developer, Fletcher Residential Limited, seeing increased demand for central city dwellings.

“Nearly all existing stock has been sold and sales of future units have been



**“OUR PRIORITY REMAINS THE DELIVERY OF AMAZING FACILITIES AND SPACES THAT ENCOURAGE SOCIAL AND ECONOMIC ACTIVITY IN CENTRAL CHRISTCHURCH.”**

KEITH BEAL, GENERAL MANAGER  
PROPERTY AND OPERATIONS,  
ŌTĀKARO

brought forward to meet the demand which will help fast track the desired growth in central city population.”

### THE AUCKLAND OF THE SOUTH

Meanwhile, Campbell Taylor, commercial and industrial divisional manager for Bayleys Christchurch, says the city’s position as the distribution hub for the South Island has largely insulated it from any pandemic-related fallout.

“The industrial sector is going great guns given the country’s dependence on keeping supply chains moving and the appetite for online shopping,” he says.

“We’re the Auckland of the South Island and the industrial sector is showing no signs of letting up.

“Developers that are cashed up and prepared to take an informed risk are snapping up vacant land and building speculatively, confident in the ‘build it and they’ll come’ mantra.

“Other developers like Calder Stewart and Ngāi Tahu Property are building customised premises for pre-committed tenants and there are new projects progressively rolling out.”

Taylor gives a shout-out to high-profile developments such as the Waterloo Business Park, IZONE Southern Business Hub developed by Selwyn District Council and project-managed by Hughes Developments, Ngāi Tahu’s Tawhiri industrial project, and the Carter Group’s IPORT.

“All of these developments leverage off recent infrastructural and roading initiatives that have streamlined traffic movements around the region,” says Taylor.

“The new motorway between Christchurch and Rolleston has shaved around 15 minutes off the trip time, while the northern corridor makes the Waimakariri district so much more accessible.

“New roading configurations have taken pressure off the residential areas and been a complete game-changer for all aspects of doing business in Christchurch.”



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CAMPBELL TAYLOR, BAYLEYS  
CHRISTCHURCH COMMERCIAL AND  
INDUSTRIAL DIVISIONAL MANAGER



Riverside Market combines 30 independent food outlets and 40 fresh produce stalls under one roof.



Te Papa Ōtākaro/Avon River Precinct includes the two-kilometre City Promenade and walking and cycle paths on the western side of the river. Photo credit: Ōtākaro Limited

From a commercial and lifestyle perspective, Taylor is not sold on the inner-city apartment living narrative that supporters claim is vital to regenerating the CBD.

“Yes, I believe we need population growth, but I do not think the CBD is necessarily the answer to that,” says Taylor.

“The CBD will thrive if it’s a vibrant place to do business and spend time in – there’s plenty of room for more intensified residential models on the fringe and with the improved roading network, commuting is not an issue.”

### STRENGTH OF THE CBD

Bayleys Christchurch commercial sales and leasing agent Mitchell Wallace says as with the rest of New Zealand, the commercial property market is buoyant, and yields are getting lower – regularly in the five-percent range.

“We used to refer to figures like that as ‘Auckland yields’ and this may lead to a retraction in Christchurch commercial property coming to the market– until

such time as new development stock comes on-stream.”

In the office leasing market, Wallace says total vacancy levels are sub-15 percent with some segments of the market – like West End – in single digit figures.

“In general terms, vacancy levels in the CBD are down and, in the suburbs, they’re up and this is reflected in the lease per square metre differential of up to \$400/sqm in the CBD and as low as \$150/sqm in the suburbs.

“Occupiers are continuing to move back to the CBD after relocating to suburban business parks post-quakes.

“Because Christchurch CBD offers minimal travel times from all points of the compass, the core + flex/‘hub and spoke’ property model is not commonplace.

“Long-term, we expect to see a consolidation of business activity in the CBD with suburban office stock likely to be transitioned to an alternative use.”

Wallace says the work-from-home experiment confirmed the importance of a shared workplace with its own culture and face-to-face relationships.

“It showed us the value of ‘elevator deals’ and the other networking opportunities that the city centre offers – along with the CBD amenities.”

Geoff Smart, business broker with Bayleys Christchurch, says business confidence is high in the city and demand is strong for well-positioned businesses with sound operating credentials.

“We are seeing a number of businesses come to the market as retiring owners look to exit, and others are being sold because the pandemic made people reassess what they want out of life.

“We currently have robust interest in a \$10 million listing in the construction industry and have a business operating under management under contract for \$6 million to a North Island-based investor.

“Banks are exercising a fair amount of caution and the due diligence process is pretty thorough, but businesses with a relatively-low risk profile and those related to essential infrastructure, for example, are selling well.”

Sales of retail businesses, especially those in mall premises are somewhat subdued, according to Smart, but service-based businesses and those related to the rebuild and residential development are attracting good interest.

This demand is underpinned by the low interest rate environment, and the returns on investment that are being attained for managed businesses.

Smart has noticed a spike in demand from returning expats and expects that to continue as pandemic conditions drive people home with high levels of equity behind them, and enquiry on Christchurch businesses is also strong from buyers from outside the region – Auckland, in particular.