

Before an Independent Hearings Panel
Appointed by Christchurch City Council

under: the Resource Management Act 1991

in the matter of: proposed Plan Change 14 to the Christchurch District
Plan

and: **Daresbury Limited**
(Submitter 874)

Statement of evidence of James Milne for Daresbury Limited
(Company)

Dated: 17 April 2024

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STATEMENT OF EVIDENCE OF JAMES MILNE FOR DARESBRURY LIMITED

INTRODUCTION

- 1 My full name is James Grant Duncan Milne.
- 2 I am a director and shareholder of Milne Construction and Daresbury Limited. I am a builder and cabinet maker by trade and the property developer for Daresbury.¹
- 3 My evidence will set out the background of my ownership of Daresbury house, the options I have considered for Daresbury house, and the position I find myself in today.

BACKGROUND

- 4 I purchased the Daresbury site in 2018 on an 'as is where is' basis.
- 5 The previous owner had owned it for a year or two, and had put considerable time and effort into trying to come up with a solution and use for Daresbury House. He ultimately gave up and sold the property onto me. He had originally purchased it from the people who owned the property during the earthquakes. I understand those owners took the insurance settlement and sold, so there has never been any insurance money available for Daresbury House.
- 6 I purchased the site because the land adjoined a property we purchased a few years before as a family home. I had a vision for a gated-community type residential development for the site given its idyllic location in the heart of Fendalton, near Mona Vale, and along Waimari Stream.
- 7 I knew when I purchased the site that Daresbury House was in need of repair, and that quite a bit of work would be required to fully understand the extent of this and what it would take to repair it. I felt equipped for the challenge as my company has had a lot of experience in repairing and renovating pre 1920 homes.
- 8 My intention from the start was to subdivide and develop the surrounding land and repair Daresbury House so that I could live there with my family. We removed our previous home to make way for the first stage of Daresbury. I am currently renting with my family in the adjacent property waiting to build our home within the Daresbury development.

¹ <https://daresbury.nz/>

OPTIONS EXPLORED FOR DARESBUY HOUSE

- 9 Since 2018, I have undertaken a significant amount of due diligence to get a proper understanding of what would be required to repair Daresbury House.
- 10 From very early on I engaged with consultants, including a planner and Mr Pearson, to determine the level of damage of Daresbury House and what would be required to restore it to a usable state.
- 11 Mr Pearson prepared a heritage assessment and condition report for Daresbury House. Quoin were also engaged to prepare a structural report as they were familiar with and had a good understanding of the building having done the original assessment of Daresbury House for the purposes of the insurance claim for the previous owners.
- 12 At this point, I started to explore what the cost of repair might be. I note the costings I did at this point in time, which have been used in evidence for this process, were for the purposes of applying for funding applications (discussed further below). In this sense, they were intentionally low – pulling back on a lot of the interior detailing, applying a low \$/m² rate with reduced margins and labour rates as I had accounted for doing most of the work myself. I note that these estimates also do not include the time I have invested over the last 7 years on this, nor the consultant fees I have incurred to date.
- 13 Throughout my ownership of Daresbury House I have spent time and money fixing and maintaining it in its current state so that it does not deteriorate any further. In particular I have repaired many substantial leaks, kept it secure and installed security cameras to protect against vandals or squatters.
- 14 During all of this I was in constant contact and discussions with Heritage New Zealand (HNZ) and the Council. I had many meetings on site with these parties to understand whether they would be comfortable with the repair strategies being proposed. I note that during many of these interactions HNZ and Council staff have expressed to me that it is clear Daresbury House is beyond the feasible reality of being fixed.
- 15 As a builder by trade, heritage fabric repair is difficult, particularly to get up to 67% NBS. I was aiming for close to 100% NBS because of advice I had received from insurers should I want thorough and proper cover on the building.

FUNDING FOR REPAIRS

- 16 I then applied for all of the potential funding options available at the time with the help of Mr Pearson. At the time I had some

confidence that I would be granted funding, however all of the applications were declined:

- 16.1 Heritage New Zealand advised that their National Heritage Preservation Incentive Fund was so small that they did not have enough money to give to private residences with this level of repair required, and that in any case the focus that year was on public buildings and iwi related heritage.
- 16.2 Council advised that they had already allocated all their Heritage Incentive Funds for that year and future years, and the repair strategy fell outside of being an 'authentic heritage fabric repair' that they would typically fund. The Council did advise that if I applied again in a couple of years, I might get some funding to contribute to professional fees (in the order of \$50,000) if a heritage fabric repair was proposed.
- 16.3 With respect to the EQUIP fund, one of the eligibility criteria was that the building had to be an Earthquake Prone Building. The Council can only classify commercial buildings as earthquake prone. While I had many discussions with the Council around how I could make Daresbury House a commercial structure, the Council could not assist, and therefore I was unable to successfully obtain funding from EQUIP.
- 17 As part of the funding applications, I was consistently working on different scenarios in my pricing for the repair of Daresbury House to try and make it work. This included exploring whether I could shift Daresbury House to a different location, subdivide the land differently, retain only parts of the house, redevelop as a boutique hotel, split into apartments and so on. None of it stacked up from a financial perspective.
- 18 At this point, I applied for resource consent for Stage 1 of the Daresbury development, in the hopes that the money made from the sale of subdivided sections north of Daresbury House could be used to offset the cost of repair. I understand I was not obliged in any way to do this but right through this process my hope was that I could still restore Daresbury house and one day live in it with my family.
- 19 Unfortunately, following COVID-19 the economy had a downturn, at that point I started to sell the subdivided lots in September 2022, after having waited almost two years for professionals and Council to process the resource consent. I have now sold all of those sections, but for around 15% less than I was expecting, effectively making no profit.

THE POSITION TODAY

- 20 It became clear to me at that point, that the likelihood of obtaining future funds to repair Daresbury House was very slim. While I acknowledge that it can be fixed, the economics simply don't stack up. No reasonable person would spend the amount of money required to repair Daresbury House, knowing that they would be making a loss.
- 21 So here I find myself in the current situation – seeking the delisting of Daresbury House so that I can move forward with the site. This is my last resort.
- 22 To date, I still carry debt on the land, and there is no way I can justify spending any more on the possibility of repairing Daresbury House. I have exhausted every conceivable option.
- 23 All the while I continue to incur significant holding costs for the land, in terms of rates and interest that I simply can no longer justify. I need to move on with my life and do something with the land.
- 24 Even if I had the funds to fix Daresbury House or even build an equivalent, the economics still don't stack up. I understand there is a very limited market for houses of this scale and style. People these days are after practical modern homes, not historic replicas.
- 25 My family and friends are emotionally tied to Daresbury House. We have many stories of past experiences over the years of relationships with different families who have lived at Daresbury. My wife as a baby would be cosied up in her basinet on the side-lines of the tennis court while mum played. I have kept in contact with the original owners' descendants who built the house. I have discussed at length the state of Daresbury with the family members who originally listed the house. They are understanding and supportive of the requirement now to remove the listing.
- 26 I note that should Daresbury House be demolished, I would make sure that as much of the house as possible would be salvaged and reused in some way. I am very keen on reusing the heritage fabric in any way I can – it wouldn't feel right not to, particularly as the surrounding development has been named after the house and was originally intended to be centred around it. I have every intention of making sure Daresbury House, and the heritage attached to it, is remembered on the site.
- 27 If Daresbury House is not delisted through this process, I will have no other option than to apply for a resource consent to demolish the building. More time, more cost, more bureaucracy. There are clauses in the district plan for this very reason to support situations like this. I would like to appeal to everyone's common sense here and agree on an intelligent conclusion. Daresbury House meets the

criteria to delist it as a heritage item from the district plan, as well as the test to demolish.

- 28 I appeal to the panel and Christchurch City Council to support me in this with agreeing on an outcome sooner than the scheduled date so that I may progress with the subdivision of the land.
- 29 Isn't that the original driver for PC14, to provide more housing for the people of Christchurch?

James Grant Duncan Milne

17 April 2024