

SUMMARY STATEMENT

1. My name is **Ruth Allen**. I am the Principal Advisor, of Urban Regeneration, at The Property Group Limited.
2. I have prepared evidence on behalf of **Christchurch City Council** to assist in the understanding of the financial feasibility of high density residential development as enabled by the proposed development controls in Plan Change 14.
3. My evidence is based on the results of financial modelling that has been undertaken by my team at The Property Group Limited. The modelling assesses the impact of different height controls on the feasibility of a high density residential development scenario, in current market conditions, across a range of different locations.
4. The findings of the feasibility modelling demonstrate that, despite the increases in density enabled through Plan Change 14 provisions, under current market conditions it remains challenging for development of buildings above three storeys and up to twelve storeys to be financially feasible in the town centre locations explored.
5. In and around the city centre, however, where development can reach heights of 12 storeys and above under the proposed controls, the feasibility of high density residential development improves.
6. The challenge to achieving a financially feasible high density development around the town centres is attributable to the likely lower price points achievable for apartments in these locations compared to the city centre. This is despite the lower land values in these locations. In addition, as demonstrated in evidence prepared by John Scallan, lower scale medium density development is comparably a more feasible development opportunity in these areas with a history of market demand. Thus, presenting a more attractive development opportunity for the construction sector currently.
7. It is important to note that these results are based on current high risks around increasing construction costs and market instability.
8. It is also based on assumed values achievable for residential apartments across the different locations explored. To date there have been relatively

low volumes of sales of high density properties in Christchurch outside of the city centre.

9. Into the future, as the Christchurch residential market changes and the construction sector stabilises, the viability of high density residential development may improve. However, there would need to be a significant shift in the market to encourage high density development in areas outside the city, within the walking catchments of the town centres.

Date: 11 October 2023

Ruth Allen