

PC14 – Strategic Direction Key Speaking Points – Tim Heath (Economics):

- The heights across the suite of residential and commercial zones proposed in PC14 represents a substantial increase to the development opportunity and capacity of both residential and commercial activity in the city. These material increases would accommodate a level of residential and commercial growth that is more than the demand requirement for those land uses in Christchurch and go well beyond the 30-year timeframe.
- Height is an important planning tool in directing development to achieve greater degrees of density, efficiency and certainty in terms of public and private investment. The level of flexibility and capacity enabled positively impacts economic fundamentals such as locational efficiency, competitiveness, and productivity.
- Some of the potential economic benefits enabled by PC14's increased suite of heights include increased amenity of centres, increased agglomeration of activities and productivity gains, reduced marginal infrastructure costs on community infrastructure assets and increased land use efficiencies.
- Christchurch central area (four avenues) has made a steady recovery in terms of employment since the earthquakes but it is not back to its pre-earthquake employment level yet. The City Centre Zone has almost 4,600 fewer employees in 2022 than in 2011 (pre-February earthquake), at the same time the wider Christchurch economy employment base grew 18%. As such in my view the City Centre is still in recovery.
- For Christchurch to improve economic wellbeing and efficiency, it is fundamental that business locations, particularly the City Centre, are competitive, not just as a business environment but also a residential environment. As a highly influential competitive asset it is critical to the ongoing recovery of the City Centre (and wider Christchurch economy) as a whole that emphasis should be placed on generating appropriate activity within this principal centre.
- High value-added employment as typically seen in City Centres requires high amenity, accessible locations exhibiting convenience to other services, agglomeration benefits and often high profiles. In terms of competitiveness, it is important to recognise that these larger businesses servicing larger national markets often have locational options in most major centres.

- The situation experienced by Christchurch is unique in that commercial office activity has been unavoidably removed and relocated from the City Centre. For both the ongoing recovery and primacy of the City Centre it is considered necessary for PC14 to facilitate a relative competitiveness and continue with the existing office tenancy threshold provisions.
- Based on my high-level modelling of the assessed QMs in relation to commercial space, I consider the heights recommended for PC14 would enable substantial development opportunity and capacity for commercial activity. This material increase in enablement could accommodate a level of commercial growth that is significantly more than the demand requirement for commercial (retail and office) land uses in Christchurch and go well beyond the 30-year timeframe.
- Overall, the City Centre, being the foremost commercial hub of the city and most economically efficient location for built form density to occur, should have the highest enabled height threshold, followed by the surrounding City Centre zones and walkable catchment, then the preeminent suburban centres and surrounds, followed by a tapering down in heights based on a centre's classification, role and function in the market. This is to ensure relative competitiveness between zones and centres so intensive development has a higher propensity to occur in the most economically efficient locations and significant economic benefits to the community can be realised.
- In terms of submitter economic evidence, I do not consider the comparatives presented between Auckland Metropolitan Centres and Hornby, Riccarton and Papanui, based on selected metrics, to be well-founded. In my view no centres in Christchurch represent sufficient diversity of land use composition to constitute a Metropolitan Centre.
- While some submitters seek higher permitted building heights in certain zones (above the heights proposed in PC14), in my view no economic rationale has been provided to support those outcomes, based on analysis of the economic costs and benefits of the additional height submitters seek.