

## 13. New Regent St Extension - Land Purchase Opportunity

Reference Te Tohutoro: 25/118046

Responsible Officer(s) Te Bruce Rendall, Head of Facilities and Property

Pou Matua: Mark Stevenson, Head of Planning and Consents

Accountable ELT John Higgins, General Manager Strategy, Planning & Regulatory

Member Pouwhakarae: Services

### Confidentiality

<b>Section under the Act:</b>	The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
<b>Sub-clause and Reason:</b>	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.  s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).
<b>Public Interest Consideration:</b>	The Council is negotiating the purchase of a parcel of land. The release of information in this report may impact on the Council's ability to negotiate commercial outcomes beneficial to ratepayers. The risk of prejudicing the commercial outcomes outweighs the public interest during the negotiation phase.
<b>Potential Release Review Date and Conditions:</b>	30 January 2026  Upon the Council purchasing the land or formally completing negotiations.

### 1. Purpose and Origin of the Report Te Pūtake Pūrongo

- 1.1 The purpose of this report is to provide background and options, to enable a decision and response to the Catholic Diocese regarding their unsolicited offer to Council to purchase land from the Diocese in the central city.
- 1.2 Specifically, the Catholic Diocese of Christchurch, propose that Council purchase a 378m<sup>2</sup> lot of their land to provide a north-south connection, effectively an extension of New Regent Street to the north. The purchase would enable public pedestrian and vehicle servicing only access from Armagh Street, through to the Ōtakaro Avon River promenade at Oxford Terrace.
- 1.3 Staff have considered the offer, along with transport planning matters and the financial expectations of the Diocese. This report details the offer being tabled and related aspects which should be considered when making an informed decision.

## 2. Officer Recommendations Ngā Tūtohu

That the Council:

1. Receives the information in the New Regent St Extension - Land Purchase Opportunity Report.
2. Notes that the decision in this report is assessed as low significance based on the Christchurch City Council's Significance and Engagement Policy.
3. Delegates Authority to the Chief Executive to purchase Lot 2 comprising 378m<sup>2</sup> shown on the attached subdivision plan from the Catholic Diocese for the purpose of legal road to create a future extension of New Regent Street between Armagh Street and the Ōtakaro Avon River promenade.
4. Requests the Chief Executive (or her delegate) to use reasonable endeavours to achieve a lower value than that presented by the Diocese to reflect the impacts of the vendor's required restrictions.
5. Notes that this report may be publicly released if/upon transfer of said land into Council ownership.

## 3. Executive Summary Te Whakarāpopoto Matua

- 3.1 Council staff have been approached by the Catholic Diocese of Christchurch, with an opportunity to acquire a section of land which would allow a northwards extension of New Regent Street in the central city. The acquisition would see a continuation of this public thoroughfare, between Armagh Street and the Ōtakaro Avon River promenade at Oxford Terrace.
- 3.2 The Catholic Diocese of Christchurch has subdivided their site between Armagh Street and Oxford Terrace and has allocated a 12m wide lot directly opposite New Regent Street for a laneway purpose. The Diocese are now seeking to enter an agreement with the Council to transfer this land at market value, being a sum of \$1,985,000 plus GST (if any).
- 3.3 The proposal is recognised as having merit by Council staff in the planning and transport units, due principally to the potential for improvement of pedestrian connections in this area. However, these merits do need to be carefully balanced against the cost to Council to acquire the land and its ongoing maintenance as a public right of way / laneway.
- 3.4 On balance, staff recommend that the Council enter negotiations to purchase the land for a price of up to market value. This is because it is probably a one-off opportunity to create a strategic connection from Armagh Street (opposite New Regent Street) through to the Ōtakaro Avon River promenade. If not purchased, there will be uncertainty whether a connection though the block will be provided.

## 4. Background/Context Te Horopaki

- 4.1 The Catholic Diocese is currently working through the future of the land it owns north of Armagh Street between Colombo and Manchester Streets. It has recently obtained subdivision consent to create several new development lots including a 12-metre-wide site, which could provide a future pedestrian connection between Armagh Street and Oxford Terrace (shown as lot 2 in Attachment A, being 378m<sup>2</sup>).

- 4.2 Representatives from the Diocese have contacted Council staff seeking to enter an agreement to transfer this land for a public thoroughfare use, including the following conditions as set by the Diocese:
- Council purchasing the land at a market value of \$1,985,000 plus GST (if any) (\$5,250/m<sup>2</sup>);
  - A right of physical access under or above the land for the owners of the adjacent lots 1 & 3; and
  - Vesting the land as legal road to be named 'New Regent Street'.
- 4.3 There have also been discussions about preferences for future adjacent businesses to be able to occupy the new road for outdoor dining at no cost and about forming the road prior to development.
- 4.4 The site has a history of contamination as shown on the Listed Land Use Register. The impacts of this contamination on the future development of the land are not known.
- 4.5 The transfer value being proposed has been determined by a formal valuation report received by the Diocese. Council has subsequently sourced its own valuation advice that validates this level. The market value has been established based on sales of similar land.
- 4.6 However, both reports have assessed the lot based on the land being transferred in an unencumbered state which is suitable for commercial development as permitted under existing District Planning rules.
- 4.7 As mentioned above, the Diocese are proposing to secure rights over the land to service Lots 1 & 3, and to mechanisms to ensure that the land remains open for pedestrian access and street trading / outdoor dining. Within the general property market, these restrictions would substantially impact value, as few interested parties would see value in a site that cannot be developed.
- 4.8 The opportunity for a pedestrian connection at this approximate location was identified visually in the Christchurch Central Recovery Plan 2012 (Figure 1) and work relating to Cathedral Square and Surrounds by Regenerate Christchurch in 2017. The provision of a new laneway has also been raised in discussions related to the previous Catholic Cathedral precinct plans, hotels to the North of the Square, and in the context of the Performing Arts Precinct and its relationship to the Catholic Diocese development opportunities.



**Figure 1 Extract from Central City Recovery Plan 2012**

- 4.9 Notwithstanding the points in paragraph 4.8, there is no formal plan, policy or strategy on this matter. Funding for the purchase has been included in the draft Annual Plan 2025-26 but has not yet been confirmed by the Council.
- 4.10 The Planning and Consents Unit, from an urban regeneration and design perspective, supports the opportunity to create a pedestrian connection between Armagh Street and Oxford Terrace / the Ōtakaro Avon River Corridor. A new link would better connect and potentially increase footfall between public and private sector developments in the vicinity and local attractions including New Regent Street, the Performing Arts Precinct, Tākaro a Poi Margaret Mahy Family Playground and Rauora Park.
- 4.11 A pedestrian laneway would provide the opportunity to open vistas to the river and historic rotunda and continue the vibrancy of New Regent Street through small scale hospitality activities fronting the laneway on both sides.
- 4.12 Vesting the land as road creates rights for the adjacent landowner (s) and their tenants.
- 4.13 This case is different to the usual approach for acquiring land for road.
- 4.13.1 When a road is proposed as part of a subdivision, the developer generally vests the land in public ownership and constructs the road at no cost to the Council.
- 4.13.2 Typically, when Council proactively acquires private land for roading purposes, a full market value is paid for the and based on the existing zoning. Council is responsible for constructing the road.
- 4.13.3 In this case the Council is not actively pursuing this land and has no formal plans or policies for a pedestrian link in this location. It is instead reacting to an unsolicited offer.
- 4.14 Staff understand the position of the Diocese to offer the land at full market value, however, given the proposed restrictions and the benefits that accrue to the vendor and/or the future purchasers of the adjacent parcels, full market value is not justified.
- 4.15 If the Council purchases the land, the Transport Unit would be responsible for it including developing it as road. While the Transport Unit supports the principle of a pedestrian laneway in this area due to the improved connectivity and placemaking benefits it offers, any direct transport network benefits are limited to pedestrian connectivity only.
- 4.16 Any future cost implications for associated CAPEX and OPEX costs will need to be planned for as part of a future Long-Term Plan. In terms of future use, considerations include:

- The extension of New Regent Street across Armagh Street will require careful design to ensure pedestrian crossing safety, especially in the vicinity of the tram turning point.
- There is no Council budget for the approx. \$600,000 capital cost of constructing a new laneway between Armagh Street and Oxford Terrace. If Council acquired the land, it would need to include funding for formation in a future Long-Term Plan.
- The estimated cost to maintain the new laneway in perpetuity, is projected to be \$36,000 per annum. There is no operational funding in Council's programme for such work.

4.17 The following related memos/information were circulated to the meeting members:

Date	Subject
	Nil

4.18 The following related information session/workshops have taken place for the members of the meeting:

Date	Subject
	Nil

### Options Considered Ngā Kōwhiringa Whaiwhakaaro

4.19 The following reasonably practicable options were considered and are assessed in this report:

4.19.1 The Preferred Option: Negotiate the purchase of the land at a price less than the Diocese's offer of \$1,985,000 plus GST (if any).

4.19.2 Option 2: Purchase the land at the Diocese's offer of \$1,985,000 plus GST (if any).

4.19.3 Option 3: Decline the offer from the Diocese to purchase the land.

4.20 The following option was investigated but was not considered feasible:

4.20.1 Seek to achieve the pedestrian access and other urban design outcomes through other mechanisms that do not involve public ownership. This could include the Diocese or a future owner constructing the private open space. These options have been floated in discussions with the Diocese with clear feedback that they would not be acceptable.

### Options Descriptions Ngā Kōwhiringa

4.21 **Preferred Option 1:** Negotiate the purchase of the land at a price less than the Diocese's offer of \$1,985,000 plus GST (if any).

4.21.1 **Option Description:** Authorise staff to negotiate with the Diocese to achieve a transfer value that better reflects the impacts of the restrictions sought and where the benefits fall. The Council will still need to fund the formation of the road.

#### 4.21.2 Option Advantages

- The Council will be able to vest the land as road and provide and control an extended public accessway from the existing New Regent St through to the Ōtakaro Avon River promenade, further enhancing the pedestrian connectivity and appeal of the wider area.
- The area may draw a higher level of patronage which potentially benefits the existing New Regent St and any future businesses on Lots 1 and 3.

#### 4.21.3 Option Disadvantages

- The Diocese has signalled that they are looking to maximise the financial return from the sale of this land, so may not be willing to enter into an agreement at a discounted rate.

#### 4.22 Option 2 - Accept the offer for Council to acquire the land.

4.22.1 **Option Description:** Accept the offer from the Catholic Diocese to purchase the land at current market value, being \$1,985,000 plus GST (if any), with the Diocese's desired conditions (i.e. public thoroughfare use, a right of physical access under or above the land for the owners of the adjacent lots 1 & 3)

#### 4.22.2 Option Advantages

- The Council will be able to vest the land as road and provide and control an extended public accessway from the existing New Regent St through to the Ōtakaro Avon River promenade, further enhancing the pedestrian connectivity and appeal of the wider area.
- The area may draw a higher level of patronage which potentially benefits the existing New Regent St and any future businesses on Lots 1 and 3.

#### 4.22.3 Option Disadvantages

- There is current uncertainty as to how and when the adjacent Lots 1 & 3 will be developed. Therefore, it is difficult to know how the laneway land (Lot 2) would be affected (services, air space, encumbrance, easements etc).
- There is some debate as to the true market value of the land if the site is encumbered to prohibit development and ensure an open space or road.

#### 4.23 Option 3. Decline the offer from the Diocese to purchase the land

4.23.1 **Option Description:** While there is merit in this link, the Council has no formal plans or strategies for it. Council could decide not to proceed and rely on future development achieving the link. This would reduce the

#### 4.23.2 Option Advantages

- It is anticipated that the land would be managed in a manner consistent with similar developments across the central city. This may include privately owned pedestrian access and open space like that in the BNZ Centre or Terrace developments.
- Council would not need to fund spend of approx. \$2million, plus additional capital funds for laneway construction and future operational maintenance costs.

#### 4.23.3 Option Disadvantages

- The Council will have no control over the land and there would be no assurance that some form of laneway would be developed linking New Regent Street more directly to the Otakaro Avon River promenade.
- Management of any future laneway space would not be a formal right of way and would rest entirely with the current / future owners.

### Analysis Criteria Ngā Paearu Wetekina

4.24 A new laneway between New Regent Street and the Ōtakaro Avon River promenade in this location would support improved pedestrian connectivity in this area and may also



help to bring people to New Regent Street from the Ōtakaro Avon River Promenade (Oxford Terrace).

- 4.25 The surrounding area includes popular visitor locations including Margaret Mahy Playground, New Regent Street, the Ōtakaro Avon River promenade, the Performing Arts Precinct and Te Pae. It is anticipated that pedestrian numbers will grow in this area as development progresses.
- 4.26 New Regent Street is popular for hospitality and outdoor dining. An extension would potentially allow for further space for this activity when the adjacent sites are developed, as well as an attractive connection to the river promenade.
- 4.27 However, there are limited transport benefits from such a laneway link in this location.
- 4.28 While there are benefits in having such link, analysis of this offer suggests that Council does not need to own the land as a public laneway to realise many of these aspects.
- 4.29 Whether Council intervention is required to deliver the desired outcome or that will occur naturally because of market and commercial dynamics.
- 4.30 The need for financial restraint given the current economic conditions and anticipated rates rises.

## 5. Financial Implications Ngā Hīraunga Rauemi

### Capex/Opex Ngā Utu Whakahaere

	Recommended Option	Option 2	Option 3
Cost to Implement	Purchase – up to \$1.99 million Development of laneway – \$600,000 (approx.)	Purchase –\$1.99 million Development of laneway – \$600,000 (approx.)	Nil
Maintenance/Ongoing Costs	Projected annual costs – \$36,000 (approx.)	Projected annual costs – \$36,000 (approx.)	Nil
Funding Source	Included in Draft Annual Plan 2025/26	Included in Draft Annual Plan 2025/26	NA
Funding Availability	Subject to final approval of the 2025/26 Annual Plan	Subject to final approval of the 2025/26 Annual Plan	NA
Impact on Rates	+0.03% (capital spend FY 2026)	+0.03% (capital spend FY 2026)	Nil

- 5.1 A sum of \$2 million has been included in the 2025/26 Draft Annual Plan for the potential purchase of this property.
- 5.2 The financial impact of the purchase offer should be weighed in relation to existing Council finance pressures, noting other scenarios available which could, but are not guaranteed, to provide a similar laneway outcome.

## 6. Considerations Ngā Whai Whakaaro

### Risks and Mitigations Ngā Mōrearea me ngā Whakamātautau

- 6.1 If Council chooses not to purchase the land, the creation, development and management of the space as a potential laneway will solely sit with the private owner of the lot and Council will have no control in this regard, other than through normal consenting and licencing processes.
- 6.2 Private open space/laneways can be restricted to all or certain segments of the community.
- 6.3 If Council chooses to enter an agreement to purchase the land, noting the early status of negotiations, there may be a risk during the document drafting phase that the Vendor seeks to renegotiate or include additional aspects which benefit the adjacent lots beyond the current expectations of Council. If this occurs, and staff believe these changes are beyond reasonable, then the purchase decision may need to be reported back to Council for re-evaluation.

### Legal Considerations Ngā Hīraunga ā-Ture

- 6.4 Statutory and/or delegated authority to undertake proposals in the report:
  - 6.4.1 Only the full elected Council holds the authority to authorise land purchases that are not included in the Long-Term Plan.
- 6.5 Other Legal Implications:
  - 6.5.1 If the Council decided to progress the purchase opportunity, the legal consideration is the agreement necessary to enter and settle the transaction.

### Strategy and Policy Considerations Te Whai Kaupapa here

- 6.6 The required decision:
  - 6.6.1 Aligns with the [Christchurch City Council's Strategic Framework](#).
  - 6.6.2 Is assessed as low significance based on the Christchurch City Council's Significance and Engagement Policy. The level of significance was determined by considering the impact on the public and noting that no existing level of service or provision is being directly affected.
  - 6.6.3 Is inconsistent with Council's Plans and Policies.
- 6.7 This report does not support the [Council's Long Term Plan \(2024 - 2034\)](#).
  - Any purchase of the land at the proposed market value, is not budgeted for in the current LTP. Notwithstanding this, the Council has included an allowance for purchasing the land in the draft Annual Plan 2025/26.

### Community Impacts and Views Ngā Mariu ā-Hāpori

- 6.8 The Community's views have not been considered on this matter, as the decision relates to an unsolicited opportunity which is not planned or budgeted for within the LTP.
- 6.9 The decision affects the following wards/Community Board areas:
  - 6.9.1 Waipapa Papanui-Innes-Central Community Board.
- 6.10 The Community Board has not been approached to provide a view in this instance.

### Impact on Mana Whenua Ngā Whai Take Mana Whenua

- 6.11 The decision does not involve a significant decision in relation to ancestral land, a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Mana Whenua, their culture, and traditions.



- 6.12 The decision does not involve a matter of interest to Mana Whenua and will not impact on our agreed partnership priorities with Ngā Papatipu Rūnanga.
- 6.13 The decision at hand, has no bearing on Council's relationship with Mana Whenua as the land is not a site of significance, nor would the land be used in a manner which affects environmental or resource concerns.

#### Climate Change Impact Considerations Ngā Whai Whakaaro mā te Āhuarangi

- 6.15 The proposals in this report are unlikely to contribute significantly to adaptation to the impacts of climate change or emissions reductions.
- 6.16 If the Council was to purchase the land, the proposed use as an open public space and as a primarily pedestrian thoroughfare would have a less than minor beneficial impact on Council's climate change objectives.

### 7. Next Steps Ngā Mahinga ā-muri

- 7.1 If the Council elects to purchase the land, then staff will proceed to finalise transfer terms, including revised and acceptable conditions, with the Diocese through to a settlement of the transaction
- 7.2 If the Council elects not to enter a transfer agreement, then this decision will be submitted to the Diocese and no further action is required in relation to ownership of the lane.
- 7.3 Council staff will continue to work proactively with the Catholic Diocese (and any subsequent landowners) regarding their development plans to support good outcomes for this important central city block and the wider area, including advice through any regulatory processes.

### Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A	Catholic Diocese - Armagh St Subdivision Plan	25/153229	18

In addition to the attached documents, the following background information is available:

Document Name – Location / File Link
Not applicable

### Signatories Ngā Kaiwaitohu

Author	Bruce Rendall - Head of Facilities & Property
Approved By	John Higgins - General Manager Strategy, Planning & Regulatory Services





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SURVEY INFORMATION

SURVEYED  
B. Maynard

SURVEY DATE  
May 2021

COORD SYSTEM  
NZGD 2000

CIRCUIT  
Mount Pleasant 2000

DATUM  
Christchurch Drainage Datum

ORIGIN OF LEVELS  
EKKV (BM0326)  
R.L. 14.081m (Canterbury Maps, July 2019)

NOTES

Proposed Lot 1 (affects Lot 1 DP 22368) is subject to conditions pursuant to Section 354 Local Government Act 1974 in relation to the construction of a cellar (Doc 477043.1)

A M3 08.07.2024 For Consent

REV. DRAWN DATE NOTE

CLIENT

The Roman Catholic Bishop of the Diocese of Christchurch

DESIGNED  
R. Van den Berg

DRAWN  
M. Jooste

REVIEWED  
R. Van den Berg

APPROVED  
W. Haynes

STATUS  
CONSENT

SCALE  
1:200

Proposed Subdivision

131-137 Armagh Street, Christchurch Central

Proposed Subdivision of  
Lot 1 DP 22368 & Lot 1 DP 63504

PROJECT  
500153

SET  
RC100

SHEET  
1

REV.  
A

eliot  
sinclair