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Christchurch City Council

MINUTES ATTACHMENTS

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Date:

Time:

Venue:

Tuesday 5 August 2025

9.15 am

HR Training Room, Level 1, Civic Offices, 53 Hereford Street, Christchurch

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# Development Contributions Rebate Schemes

Tuesday 5 August 2025

## Agenda for today

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1. Rebates recap
2. Engagement overview
3. Expired Existing Demand Credits
  - a. *Submission feedback*
  - b. *Legal advice (in PX)*
4. High Rise Residential
  - a. *Submission feedback*
5. Follow up on DC-related questions
6. Next steps
7. Feedback
  - a) *Expired Existing Demand Credits*
  - b) *High Rise Residential*

## A Reminder: Development Contributions Rebates

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- Development contributions requirements must meet LGA provisions
  - requires a consistent and transparent approach in setting development contributions
  - very little scope for adjustments to meet the Council's strategic development goals
- Development Contributions Rebate Policy enables the Council to promote its strategic objectives
- Development contribution rebates are revenue the Council agrees to forego.
- Funding source – rates

## A Reminder: Road So Far

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- Development Contributions Policy under review since mid-2023
  - During briefings , elected members asked staff to prepare rebate schemes
- Elected members provided advice on rebates on 6 May and 19 May 2025
  - Interest in two schemes – existing demand credits and high-rise residential
- Council resolved to consult on schemes on 18 June 2025

# Consultation

23 June – 14 July 2025

Tactics: Kōrero mai page (456 views) advertised via emails to 430 stakeholders, Newsline story (853 views), Facebook posts (5k views)

40 submissions received

- 17 recognised organisation and 23 individuals

42% have paid DCs before or anticipate paying them in the next two years.



## Expired Existing Demand Credits – Proposed Criteria

<b>Location(s)</b>	Any location within the Four Avenues of the central city
<b>Type of development</b>	Any residential or non-residential development.
<b>Extent of rebate</b>	The existing demand credits on the development site, based on the previous use of the site as at 3 September 2010.

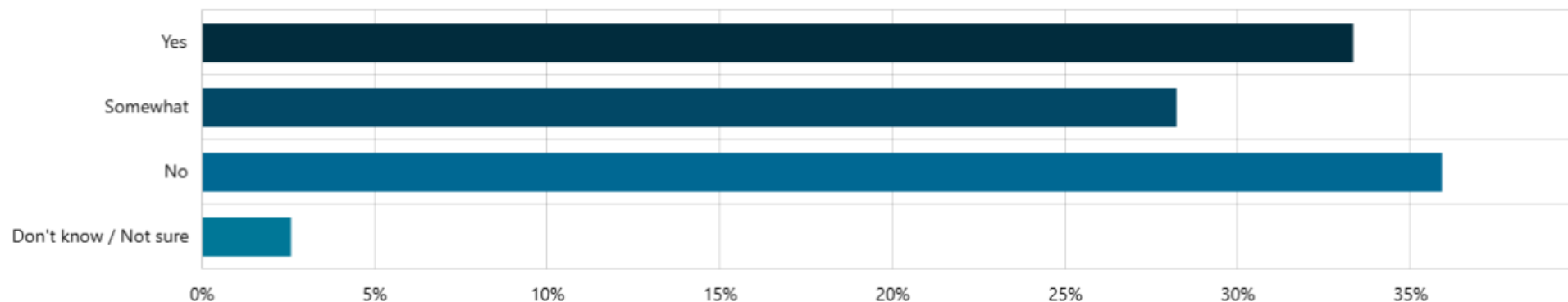


## Expired Existing Demand Credits – Proposed Criteria

Eligibility criteria	Building must be standing on or after 1 March 2024 <i>(also consulted on option to extend to vacant sites)</i>
Trigger for eligibility	A complete consent application is lodged on or after 1 March 2024
Total funding limit	\$5 million
Duration of scheme	Expires on 30 June 2027 or when the total scheme funding is fully allocated.

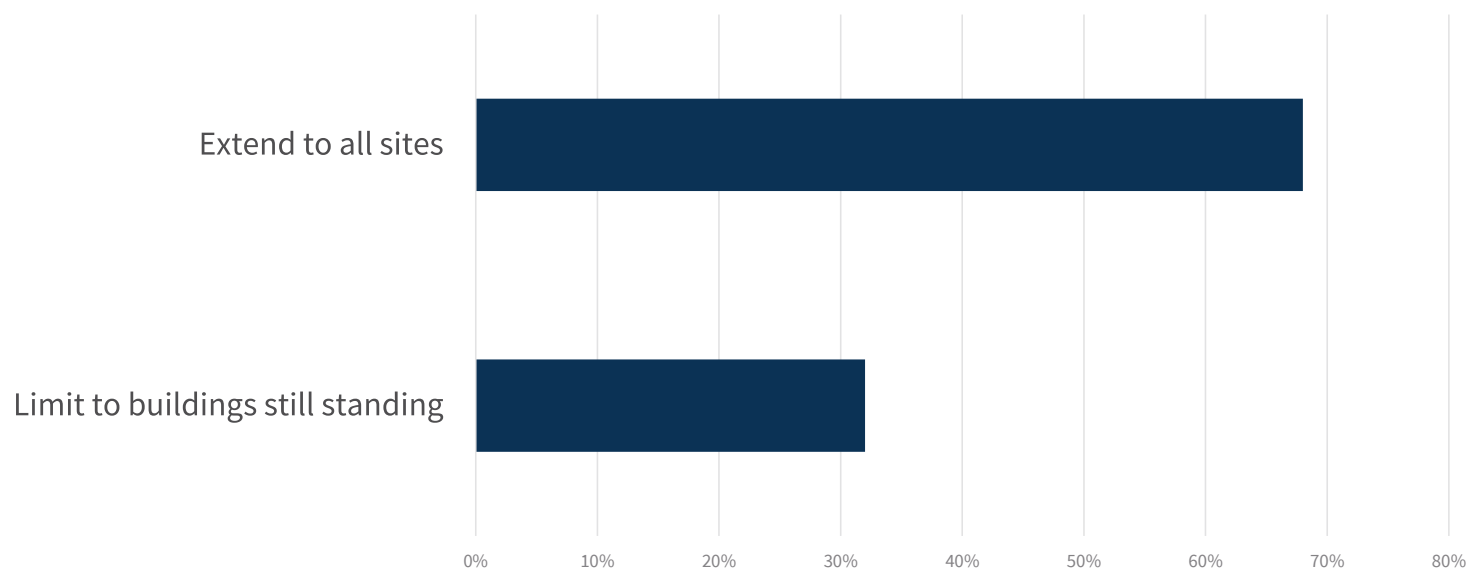
## Expired Existing Demand Credits – Submitter Feedback

Question: Do you support the proposed scheme:



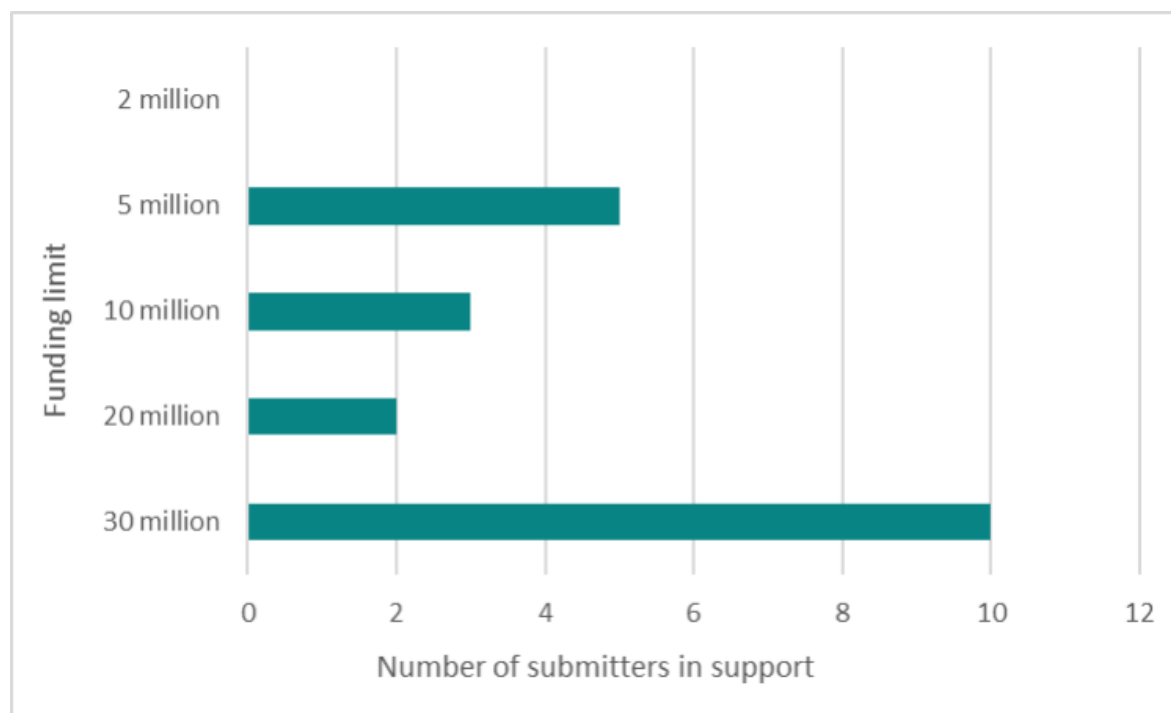
## Expired Existing Demand Credits – Submitter Feedback

Question: Should the rebate be extended to include vacant sites?



## Expired Existing Demand Credits – Submitter Feedback

Question: What should the funding limit be, if any?



## Expired Existing Demand Credits – Key Themes

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- What submitters said they liked about this scheme:
  - encourages development (14)
  - provides recognition of what was previously built on the site (9)
  - provides assistance to landowners still recovering from 2010/11 earthquakes (6)
- What submitters said they didn't like about this scheme was:
  - ratepayers providing handouts or subsidies to developers (7)
  - funding limit limits the impact that this scheme could have (5)
  - 30 June 2027 expiry is unfeasible, particularly for complex buildings (5)

Nine submitters commented on legality of existing demand credits clause in DC Policy

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## Expired Existing Demand Credits – Staff Advice

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- Rebates do:
  - encourage certain development types.
- Rebates do NOT:
  - ‘fix’ elements of the policy
- Council’s policy to limit the life of credits in place since 2006.
- Existing demand credits allow us to:
  - meet the requirements under the LGA
  - encourage timely redevelopment
  - be fair to developers and ratepayers
- LGA silent on credits
  - DIA guidance includes time-based limits

## Key questions: Existing Demand Credits Rebate

Is there interest in progressing this rebate?

If so:

Should the rebate be for buildings that are still standing or extended to all sites in central city?

If so:

Should it be one scheme or split into two?

How much revenue are you willing to forgo for the scheme(s)?

## Central City Residential – Proposed Criteria

Location(s)	Any location within the Four Avenues of the central city
Type of development	<p>Any development comprising at least six storeys of residential</p> <p>In calculating residential storeys, the following will be excluded:</p> <ul style="list-style-type: none"><li>• mezzanine floors</li><li>• rooftop terraces</li></ul>
Trigger for eligibility	A complete consent application is lodged on or after {date of scheme adoption}.

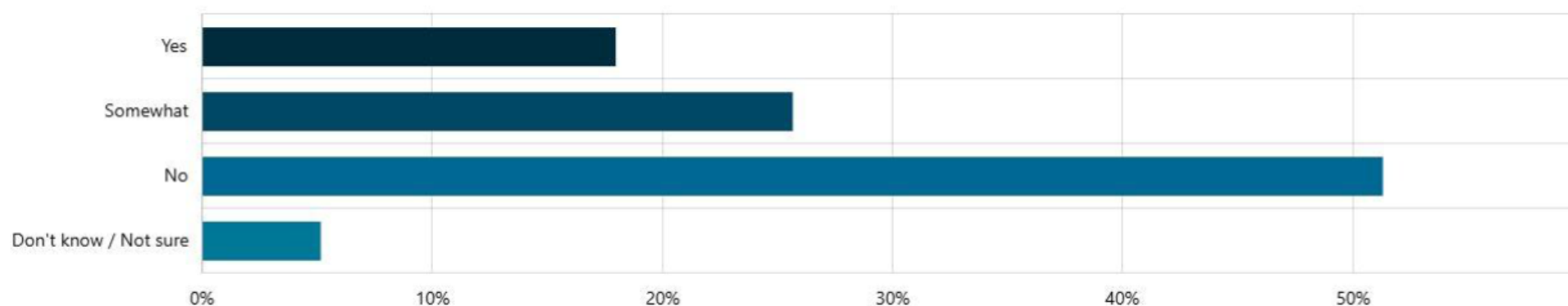


## Central City Residential – Proposed Criteria

<b>Requirement for restrictive covenant</b>	<p>The rebate excludes any property used for any purpose other than residential including short term guest accommodation or any other business purpose.</p> <p>A restrictive covenant in favour of the Council must be registered against the property title(s)</p>
<b>Extent of rebate</b>	100 per cent of development contributions required
<b>Total funding limit</b>	\$ 2 million
<b>Duration of scheme</b>	Expires on 30 June 2027 or when the total scheme funding is fully allocated

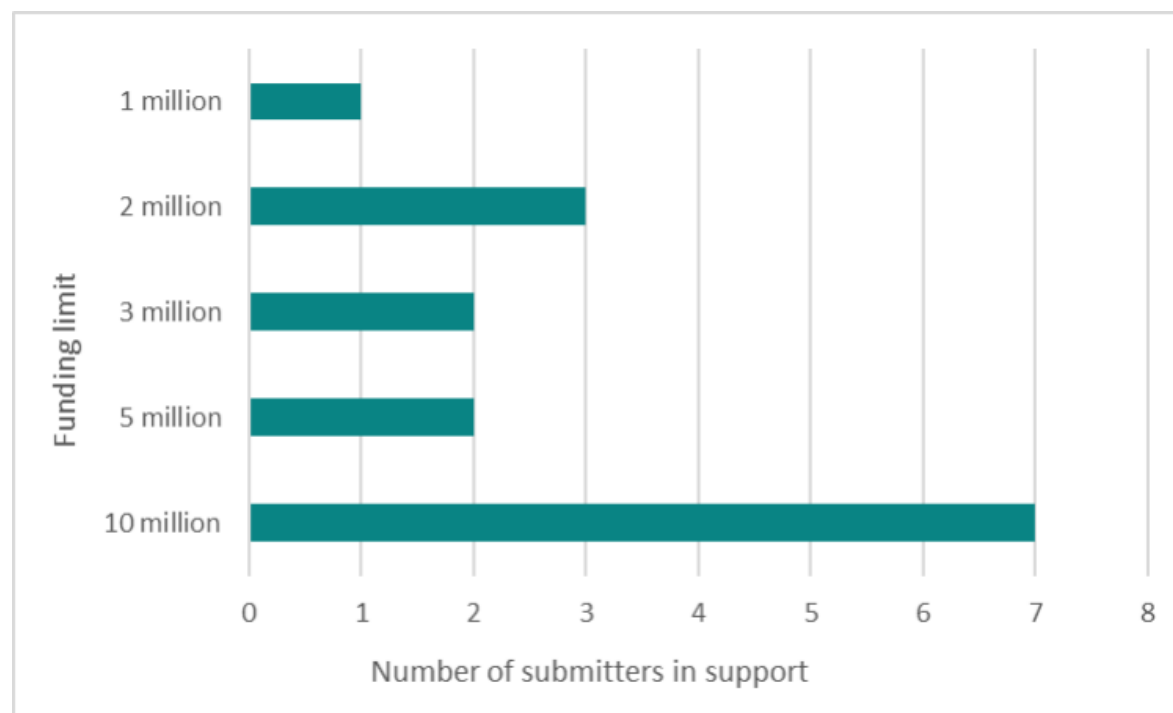
## Central City Residential – Submitter Feedback

Question: Do you support the proposed scheme?



## Central City Residential – Submitter Feedback

Question: What should the funding limit be, if any?



## Central City Residential – Key Themes

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- What submitters said they liked about this scheme:
  - encourages development (7)
  - encourages density in the right place (6)
- What submitters said they didn't like about the scheme:
  - height threshold is too strict (9)
    - many submitters suggested 2 or 3 storeys would be more appropriate
  - ratepayers providing handouts or subsidies to developers (8)
  - only provides financial benefit to developers /no evidence that developers will pass on savings (6)
  - Council should not be encouraging high-rise buildings (6)

## Key questions: Central City Residential Rebate

Is there interest in progressing this rebate?

If so:

Is there anything you wish to change?

How much revenue are you willing to forgo for the scheme?

## Development Contributions Follow Up

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- Development contributions collected = Council's total growth costs after accounting for interest and inflation
- Pushing projects out doesn't decrease charge
- Development contributions directly tied to LTP capital programme
- Cannot add or remove projects from capital programme in policy review
  - Policy not a tool to make decisions about what projects will/will not be delivered

## Financial Implications of Delaying New Policy

- Projected revenue between current and draft policies (based on modelling)

Year	2025/26	2026/27	2027/28	2028/29	2029/30
Current DCP	\$30,963,664	\$28,690,454	\$24,786,373	\$29,072,947	\$21,356,666
Draft DCP	\$58,918,178	\$40,243,284	\$39,142,443	\$40,663,082	\$38,231,768
Difference	<b>\$27,954,514</b>	<b>\$11,552,830</b>	<b>\$14,356,070</b>	<b>\$11,590,135</b>	<b>\$16,875,102</b>

Year	2030/31	2031/32	2032/33	2033/34	2034/35
Current DCP	\$21,349,078	\$20,849,949	\$21,483,668	\$21,384,593	\$17,933,912
Draft DCP	\$38,077,593	\$37,987,301	\$37,923,683	\$38,666,255	\$33,868,221
Difference	<b>\$16,728,515</b>	<b>\$17,137,352</b>	<b>\$16,440,015</b>	<b>\$17,281,662</b>	<b>\$15,934,309</b>

## Next Steps

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- Staff will prepare final scheme criteria based on the feedback received today
- The final schemes will be presented for your approval at the 20 August Council meeting
- The Development Contribution Policy will also be presented at this meeting for adoption



## Discussion: Existing Demand Credits Rebate

Is there interest in progressing this rebate?

If so:

Should the rebate be for buildings that are still standing or extended to all sites in central city?

If so:

Should it be one scheme or split into two?

How much revenue are you willing to forgo for the scheme(s)?

## Discussion: Central City Residential Rebate

Is there interest in progressing this rebate?

If so:

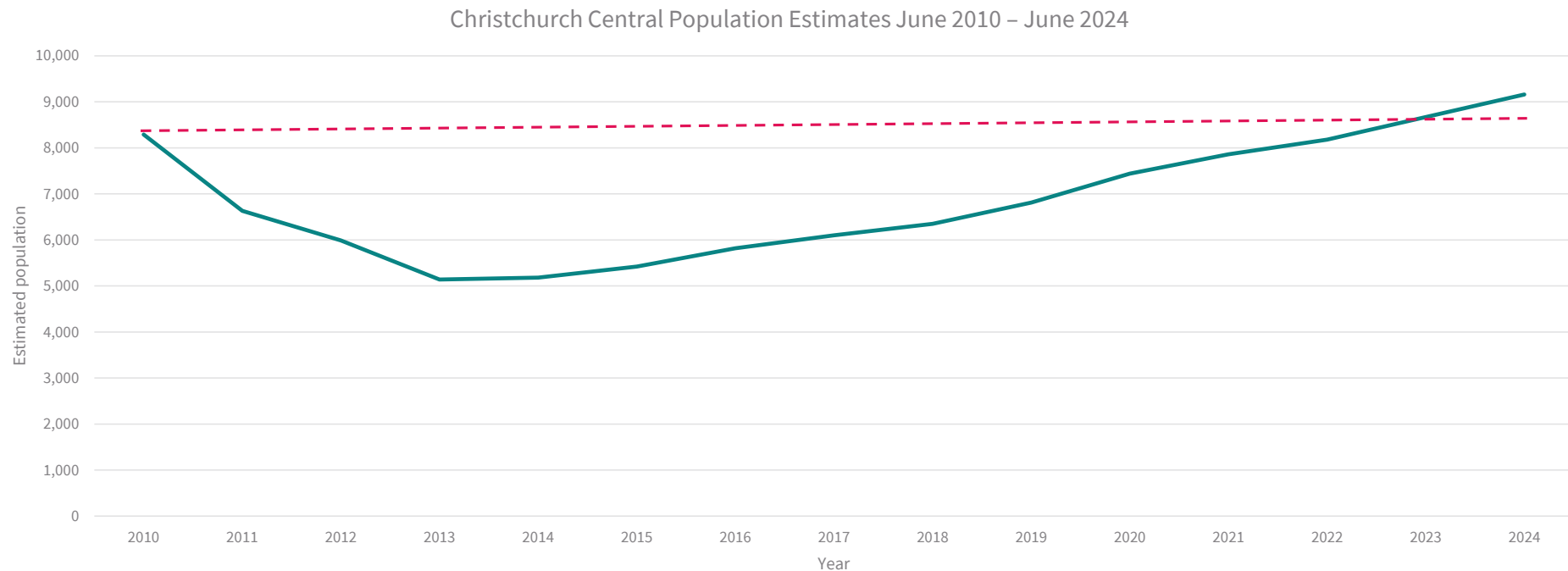
Is there anything you wish to change?

How much revenue are you willing to forgo for the scheme?

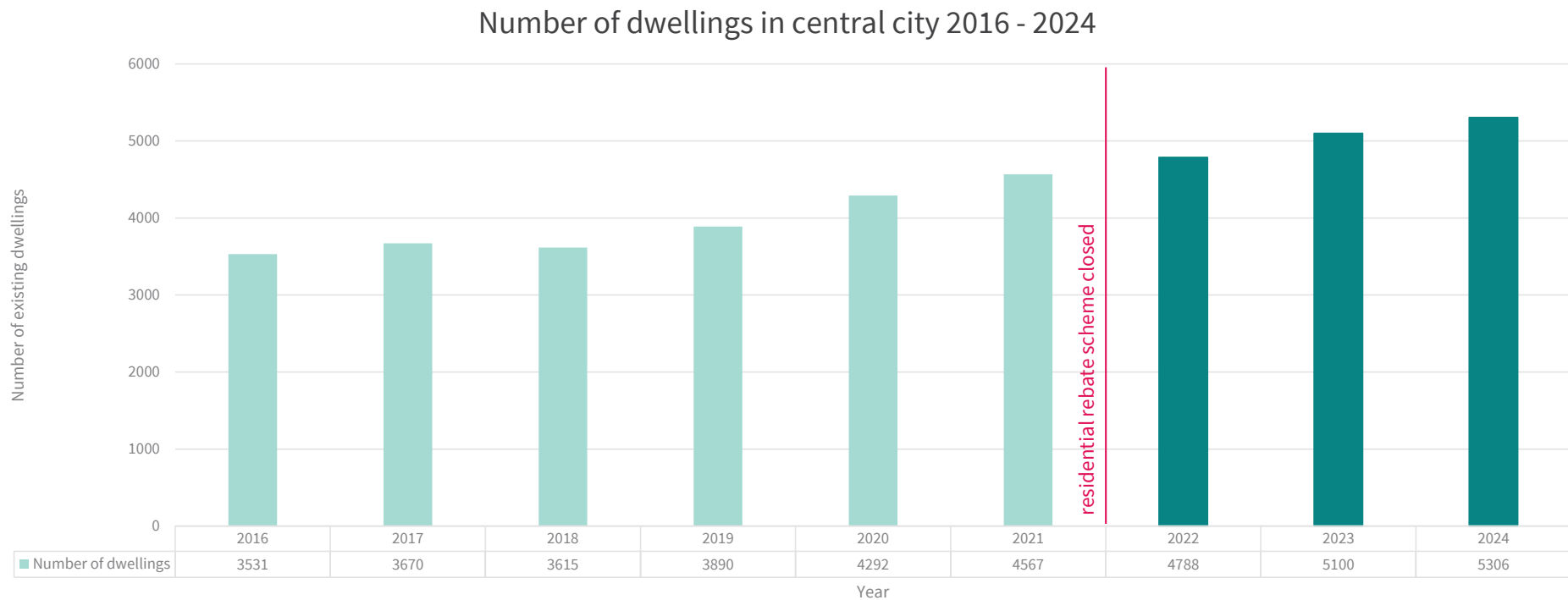
## Pre vs Post EQ Demand – Commercial GFA

Examples of Changes in Development Intensity				
Development	Pre 2011 Floorspace	Post 2011 Floorspace	Net Increase	% Increase
60 Cashel Street	2,654	8,542	5,888	222%
79 – 85 Cashel Street	1,036	6,422	5,386	520%
123 Victoria Street	3,600	8,850	5,250	146%
692 Colombo Street	9,060	10,814	1,754	19%
293 Durham Street North	10,174	12,770	2596	26%
88 Cashel Street	1,495	2,653	1,158	77%
79 Cashel Street	270	334	64	24%
126-134 Oxford Terrace & 80-86 Hereford Street	2,780	5,421	2,641	95%
112 – 116 Cashel Street	1,222	1,880	658	54%
376 Montreal Street & 47-49 Salisbury Street	5,795	9,249	3,454	60%
222-226 High Street	1,169	1,670	501	43%

## Central City Population 2010 - 2024



## Housing growth in central city



## Average residents by dwelling type

- Census data shows that the greater the number of bedrooms in a dwelling the more people likely living in it

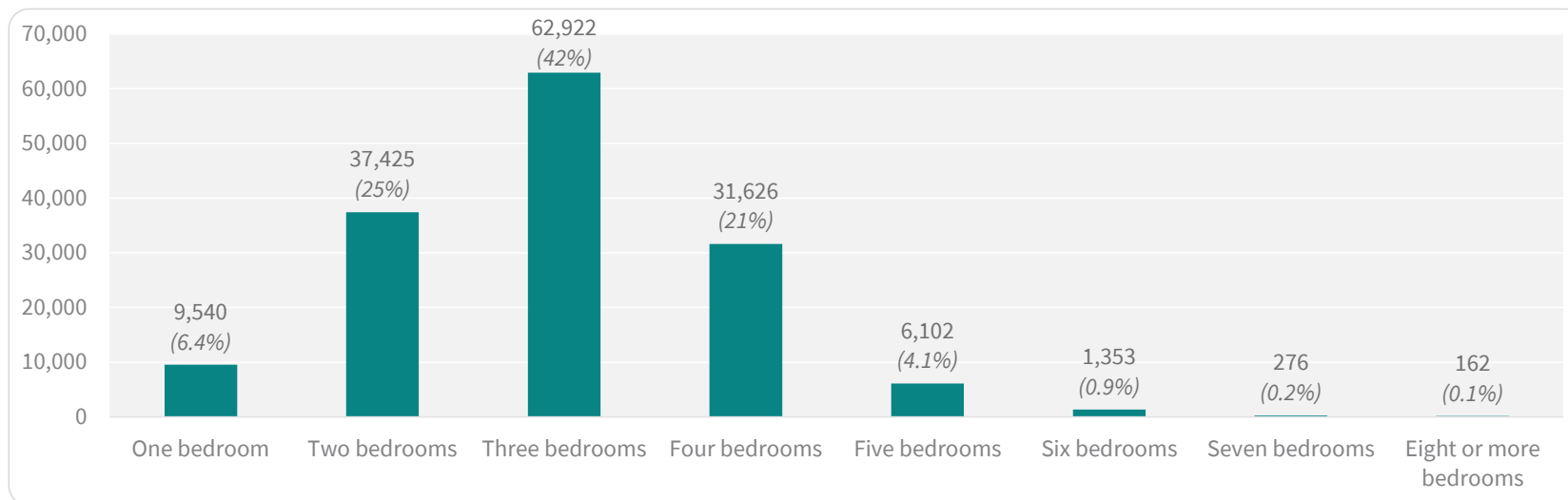
Dwelling type	One bedroom	Two bedrooms	Three bedrooms	Four bedrooms	Five bedrooms	Six bedrooms	Seven bedrooms	Eight bedrooms
Average residents	1.36	1.82	2.56	3.19	3.83	4.80	5.07	5.10

Within averages built into policy

- Growth model and draft policy assumes 2.6 average residents
- Two – six bedrooms are within averaging built into policy

## Occupied dwellings with households – bedroom count

- Average number of bedrooms = 3 (unchanged over time)
- Houses with 4 or more bedrooms make up 26% of city's occupied dwellings
- Number of 1 & 2 bedroom houses has increased from 41,500 to 47,400 since 2018, now accounting for 31% of occupied dwellings.



## Occupied dwellings – household size by bedrooms

- Over half (56%) of 3-bedroom houses contain 1 or 2 occupants
- Almost 40% of 4-bedroom houses contain 1 or 2 occupants

	1 bedroom	2 bedroom	3 bedroom	4 bedroom	5 or more bedrooms
One or two residents	95%	82%	56%	39%	25%

