under:	the Resource Management Act 1991
in the matter of:	proposed Plan Change 13 to the Christchurch District Plan
and:	Daresbury Limited (Submitter 874)

Statement of evidence of Jonathan Clease (planning) on behalf of Daresbury Limited

Dated: 6 June 2025

Reference: Jo Appleyard (jo.appleyard@chapmantripp.com) Tallulah Parker (Tallulah.parker@chapmantripp.com)



INTRODUCTION

- 1 My full name is Jonathan Guy Clease.
- I prepared a comprehensive brief of evidence on heritage matters dated 20 September 2023 as part of the PC13 and PC14 process with a particular focus on the listing of Daresbury House¹. Given the evident confusion at the time regarding the distinction between the ambit of PC13 and PC14, this evidence addressed proposed amendments to both the list of heritage items in the Christchurch District Plan (CDP), and the heritage policy and rule framework in Chapter 9 of the CDP.
- 3 A copy of this evidence is attached as **Appendix 1**. It contains my qualifications and experience as well as confirmation that I have abided by the Code of Conduct for Expert Witnesses².
- 4 For completeness, I confirm that I have reviewed the s42A report prepared by Ms Suzanne Richmond dated 28 May 2025 as it relates to the listing of Daresbury³, along with the associated technical officer reports.
- 5 This June 2025 evidence brief focusses solely on the listing of Daresbury House. As such I have not revisited those parts of my Appendix 1 evidence that addressed the proposed amendments to the Chapter 9 heritage provisions and neither have I considered any further changes to these provisions recommended in Ms Richmond's s42A report.
- 6 As the issues surrounding the listing of Daresbury House are largely unchanged since the PC14 process, I have not prepared a separate brief of evidence for this hearing and instead rely on my earlier evidence in regards to this matter. This earlier evidence drew on the

³ Ms Richmond S42A, pg. 61-63

¹ My 20 September 2023 evidence also addressed the delisting of St James' Church in Riccarton. The PC14 IHP panel recommended that the church should be delisted, with this recommendation confirmed by Council on 2 December 2024. The Church has recently been deconstructed.

² As contained in Part 9 of the Environment Court Practice Note 2023.

separate briefs of evidence which are attached as appendices as follows:

- Mr Brett Gilmore (Engineering) Appendix 2;
- Mr Stewart Harrison (Quantity surveying) Appendix 3;
- Mr Mark Shalders (Valuation) Appendix 4;
- Mr David Pearson (Heritage) Appendix 5
- 7 The listing of Daresbury was considered by the PC14 Panel. The Panel recommended that the listing be retained. Legal advice was then provided to the Council identifying issues with the Panel's recommendations on this matter (attached as **Appendix 6**).
- 8 On 2 December 2024, the Council made a merits-based decision to reject the Panel's recommendation to retain the heritage listing for Daresbury House and recommends that the house and setting are removed. The public notice (attached in **Appendix 7**) shows that the Council rejected the Panel's recommendation because "*Council considers that the house has been damaged to an extent where it is uneconomic to repair*" and it alternatively recommends that the house and setting are removed.
- 9 A letter was written on behalf of Daresbury Limited to Hon Chris Bishop in support of the Council's alternative recommendation decision and to demonstrate why the Panel's recommendation was flawed and wrong and the Council's decision is correct (attached in **Appendix 8**).
- 10 The submitter has sought and recently obtained an Archaeological Authority to demolish Daresbury from Pouhere Taonga Heritage New Zealand, as required for modification of a pre-1900 site under the Heritage New Zealand Pouhere Taonga Act 2014 (attached in **Appendix 9**).
- 11 I consider that my conclusions set out in my Appendix 1 evidence remain valid⁴. There is no dispute that Daresbury contains significant heritage values, even in its currently damaged and vacant state. S32 does not however simply require identification of heritage values. It also requires a careful weighing of costs and benefits, with reference to how listing as a tool efficiently and effectively implements the District Plan heritage policy framework.
- 12 Objective 9.3.2.1.1 requires that 'the condition of buildings, particularly those that have suffered earthquake damage, and the

⁴ Appendix 1, paras 110-125

effect of engineering and financial factors on the ability to retain, restore, and continue to use' be recognised.

- 13 Policy 9.3.2.2.8 relates specifically to demotion (which in this case is the likely consequence of the item being delisted). Amongst other matters this policy requires an assessment of 'whether the costs to retain the heritage item (particularly as a result of damage) would be unreasonable'.
- 14 This test of 'unreasonableness' is at the heart of my Appendix 1 evidence. In a nutshell, the submitter obtained engineering evidence to determine the level of repair necessary, quantity surveying evidence to determine the costs of these repairs, and valuation evidence as to the end value of the house improvements (excluding land) following those repairs having been undertaken. This evidence in a nutshell found that the gap between the cost of repairs and the resultant value of the house itself (excluding land value) is in excess of \$3.2m (\$8.1m repair costs cf. \$4.9m house value). No reasonable homeowner will embark on a complex project in the knowledge that the project is likely to result in a loss of such magnitude.
- 15 Whilst the attached evidence is eighteen months out of date, I understand that house values in Christchurch have remained largely flat across this period, whilst construction costs have seen a modest rise. The gap between repair cost and end value is therefore likely to have widened rather than closed in the interim.
- 16 In testing 'reasonableness', rather than examining the gap between repair cost and end value, Ms Richmond has instead chosen to base 'reasonableness' on a comparison of the cost of repair against the cost of a new build of an equivalent size. This difference in methodology in my view sits at the heart of our differing conclusions. In my view Ms Richmond's test is a false one – Daresbury is well in excess of the size of house sought even by high net worth homeowners, with the end value of a new build house and land of the same size valued at over \$11m⁵ where for context the most expensive home ever sold in Christchurch is understood to be just over \$9m.
- 17 For comparison, McLeans Mansion in the Central City is perhaps the closest equivalent heritage home in Christchurch in terms of size and heritage significance. This timber building has received extensive repairs and seismic strengthening over recent years and is currently on the market for 'offers over \$7m'.

⁵ Appendix 4, Mark Shalders Valuation Evidence, Appendix 2, land value \$8.5m-\$9.1m (pg. 4) + repaired house value (pg.6) \$4.3m-\$4.9m = \$12.8m - \$14m incl. gst or \$11m-\$12m excl. gst

18 Ms Richmond's test of reasonableness therefore requires the homeowner to embark on a repair programme that is likely to result in a loss of value of \$3.2m for the property improvements, whilst also being reliant on the ability to on-sell the repaired house plus land for several million dollars more than the highest residential price ever achieved in the history of Christchurch. In my view such a proposition is clearly unreasonable, Daresbury House is damaged beyond plausible repair, and as such should be delisted.

Grance.

Jonathan Clease 6 June 2025

and:	Daresbury Limited
in the matter of:	proposed Plan Change 13 and 14 to the Christchurch District Plan
under:	the Resource Management Act 1991

(Submitter 874); and

Church Property Trustees (Submitter 825)

Statement of evidence of Jonathan Clease (planning) on behalf of Daresbury Limited and Church Property Trustees

Dated: 20 September 2023

Reference: Jo Appleyard (jo.appleyard@chapmantripp.com) Annabel Hawkins (Annabel.hawkinsr@chapmantripp.com)

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INTRODUCTION

- 1 My full name is Jonathan Guy Clease.
- 2 I am a Partner in the planning and resource management consulting firm Planz Consultants Limited.
- 3 I hold a Bachelor of Science (Geography), a Master of Regional and Resource Planning, and a Master of Urban Design. I am a Full member of the New Zealand Planning Institute (*NZPI*) and currently sit on the NZPI Board.
- 4 I have some twenty-five years' experience working as a planner, with this work including a wide range of resource consent preparation and policy development, providing section 42A reports on plan changes and associated section 32 reports. I have worked in both the private and public sectors, in both the United Kingdom and New Zealand.
- 5 I have been involved with the preparation or processing of numerous resource consents for a wide range of works to heritage buildings, including a number that experienced significant damage during the Canterbury Earthquake sequence. As such I have a detailed understanding of the challenges associated with heritage building restoration and reuse and conversely the narrow circumstances where demolition of damaged and/ or derelict buildings is not inappropriate.

CODE OF CONDUCT

6 Although this is not an Environment Court hearing, in preparing my evidence I have reviewed the Code of Conduct for Expert Witnesses contained in Part 9 of the Environment Court Practice Note 2023. I have complied with it in preparing my evidence. I confirm that the issues addressed in this statement of evidence are within my area of expertise, except where I state that I am relying on the opinion or evidence of other witnesses. I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed.

SCOPE OF EVIDENCE

- 7 My evidence will address:
 - 7.1 The current state of both Daresbury House and St James Church and their heritage significance;
 - 7.2 The engineering evidence on the extent of the works necessary to bring them up to an acceptable percentage of

Building Code and the quantity surveying evidence of the likely costs of these works;

- 7.3 Whether the ongoing listing of the two properties in question remains an efficient and effective tool where the benefits of regulation clearly outweigh the costs in the light of the extent of damage and the level and costs of the intervention that is necessary; and
- 7.4 The amendments to the heritage policy and rule framework sought by Daresbury Ltd and Church Property Trustees, including the alternative relief sought by Ceres (submitter #150) which Daresbury and CPT lodged further submissions in support of (FS 2053 and 2043, respectively).
- 8 In preparing my evidence, I have reviewed:
 - 8.1 the submission and further submission by Daresbury Limited (*Daresbury*);
 - 8.2 The submission and further submission by Church Property Trustees (*CPT*);
 - 8.3 The relevant parts of the Council's Section 42A Reports by Ms Suzanne Richmond (planning), Mr Hogg (engineering), Ms Ohs (heritage), and Mr Fulton (heritage) which address the Daresbury and CPT submissions;
 - 8.4 The draft evidence of Mr Brett Gilmore (engineering),
 Mr Stewart Harrison (quantity surveying) and Mr David
 Pearson (heritage) for Daresbury, noting that Mr James
 Milne (owner) will also provide a statement at the hearing;
 - 8.5 The draft evidence of **Mr Peter Carney** (engineering) and **Mr Peter Eggleton** (quantity surveying) for CPT, noting that Mr Gavin Holley or Ms Celia Quinnell (CPT representatives) will also provide a statement at the hearing;
 - 8.6 The Resource Management (Enabling Housing Supply and Other Matters) Amendment Act (*the Enabling Act*); and
 - 8.7 The National Policy Statement on Urban Development 2020 (*NPS-UD*).

SUMMARY OF EVIDENCE

- 9 I assess the merit of continuing to include Daresbury House and St James Church in the District Plan list of heritage items.
- 10 In undertaking this assessment I consider: the heritage value of the items, the extent of damage experienced, the extent of the works

necessary for repair and restoration, the costs of these works, the value of the resultant building, the provision of insurance payouts heritage grants, and the prospects of alternative reuse.

- 11 I conclude that for these two buildings the costs of retention outweigh the benefits by a wide margin and that de-listing is appropriate.
- 12 I consider the various amendments sought to the heritage provisions by these two submitters and I recommend a number of amendments having considered the Council Officer responses.
- 13 I consider an alternative approach to managing the discrete number of known heritage buildings that remain vacant and badly damaged a decade after the earthquakes. I recommend that there is merit in the proposed approach sought by submitters which in my view enables the District Plan to more appropriately respond to known 'on-the-ground' conditions and thereby better meet the section 32, Resource Management Act 1991 (*RMA*) tests than the status quo provisions.

AMENDMENTS TO THE HERITAGE POLICIES AND RULES PROPOSED IN PC13 (NOW COVERED IN PC14)

14 This evidence addresses two sites containing listed heritage buildings, namely Daresbury House (9 Harakeke Street) and St James Church (65 Riccarton Road).

DARESBURY SUBMISSION

- 15 As outlined in its submission, Daresbury owns land at 9 Harakeke Street. Daresbury House is listed as a 'Highly Significant' heritage item (#185), within a heritage setting (#602) in the Christchurch District Plan (*District Plan*).
- 16 Under Proposed Plan Change 14 to the District Plan (*PC14*), the site is subject to corresponding heritage item and heritage setting Qualifying Matters.
- 17 Daresbury's submission seeks the removal of the heritage item and heritage setting from the item and the site.
- 18 **Figure 1** shows the heritage item and setting for Daresbury House.



Figure 1. Daresbury House - item #185 and setting #602

CHURCH PROPERTY TRUSTEES SUBMISSION

- 19 CPT holds and administers the property and investments of the Anglican Diocese of Christchurch (*the Diocese*) in accordance with the Anglican (Diocese of Christchurch) Church Property Trust Act 2003.
- 20 The evidence of **Mr Holley** or **Ms Quinnell** for CPT (to be provided for CPT's hearing presentation) will outline CPT's role and the parameters of its functions in detail.
- 21 As outlined in its submission, CPT owns land at 65 Riccarton Road on behalf of the Diocese. St James Church is located at the site and is listed as a 'Highly Significant' heritage item (#465), within a heritage setting (#220) in the District Plan.
- 22 Under PC14, the site is subject to corresponding heritage item and heritage setting Qualifying Matters.

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23 CPT's submission seeks the removal of the heritage item and heritage setting from St James Church and the site. **Figure 2** shows the District Plan listing for St James Church.



Figure 2. St James Church – item #465 and setting #220

- 24 The core issue raised in both submissions is whether the degree of damage sustained by these buildings makes retention implausible from a cost perspective and that as such retaining their listing as a heritage item in the District Plan simply imposes significant regulatory costs for little benefit.
- 25 As this is a plan change, the tests for ongoing listing are those contained in section 32 RMA. It is important to emphasise that these are different tests to those that are in play for resource consents to demolition heritage items where section 104D thresholds regarding the effects being more than minor and contrariness (or not) with policies are in play, along with the more general tests set out in section 104(1).
- 26 The starting point is the assessment of heritage values. Both buildings are already listed, so presumably at the time of listing their heritage values met the necessary criteria/ thresholds. On that basis I accept that both buildings are historically significant.
- 27 The engineering evidence for both buildings is that plausible repair strategies must necessarily result in significant loss and replacement of original heritage fabric. The evidence of **Mr Gilmore** is that Daresbury House is earthquake prone and requires effective

deconstruction and rebuilding such that the resultant building will be largely a replica. This does not mean that the buildings do not have heritage value, either in their current damaged state, or in what would be a highly modified state following repair and restoration (if such works were economically feasible). The heritage value of both buildings must however be less than it was prior to their being damaged. This is self-evident – applications to undertake unsympathetic alterations are invariably declined by Council on the grounds that they result in a loss of heritage values. The earthquake damage is in essence little different from unsympathetic alterations that have led to a marked degradation in the quality and intactness of heritage fabric. I note **Mr Pearson's** conclusions in this respect in relation to Daresbury House, where he considers that after repair, the building would be considered Significant rather than Highly Significant in terms of heritage values.

- It is important to emphasise that in terms of section 32, demonstration of heritage value (even in a degraded state) is not in itself sufficient to warrant ongoing listing. The section 32 tests are not a 'heritage value trumps all other assessments' process. Listing is a tool for protecting heritage values as listed buildings are subject to rules controlling demolition and additions/alterations and works in the setting surrounding the items. The assessment for justifying the listing must therefore necessarily wrestle with the efficiency and effectiveness of the listing as a tool for maintaining heritage values, and also the costs and benefits of the regulation on both the building owner and the wider community.
- 29 The owners of both buildings have obtained engineering reports that review the buildings' condition, the extent of damage and the shortfall in the percentage of New Building Standard (% *NBS*) that is achieved, and the extent of works necessary to bring the buildings up to code. The extent of both damage and the resultant works to restore the buildings to functional use are substantial.
- 30 The owners of both buildings have obtained quantity surveying estimates of the cost of undertaking the necessary repair works. The costs of these works are in turn significant, reflecting both the degree of damage and the complexity with retrofitting new structure into old buildings. I note that from my experience assisting on other heritage restoration projects, initial cost estimates for heritage repairs and restorations invariably end up being exceeded by the time the project is completed.
- 31 Perhaps more important than the overall cost is an assessment of the value of the building once the works have been undertaken. No responsible building owner embarks on a project that costs say \$5m to end up with a building that is only worth \$3m.
- 32 The significant repair costs, combined with the significant gap between the end value of the repaired buildings and what they are

worth, mean that there is a very low likelihood of the works ever being undertaken.

- 33 **Mr Harrison** and **Mr Shalders** address this question for Daresbury House.
- 34 The evidence of **Mr Holley** or **Ms Quinnell** for CPT will outline that as responsible trustees they must act in accordance with their purpose, which is to promote Christian mission and social support. It is not to fund heritage projects where the resultant building is not needed for the delivery of the core mission.
- 35 CPT have confirmed that they have no need for the church. The Riccarton Parish already has an alternative 'home' in St Martin's Church at 50-60 Lincoln Road. This church readily meets their functional requirements. CPT have offered St James Church to other faith communities and no interest has been forthcoming. Alternative non-faith uses are possible, however a 'change of use' is likely to trigger the need for the necessary building code upgrades and the resultant costs mean that uses such as an office or retail/ café do not deliver a rate of return that would make alternatives plausible. For Daresbury House, the site's location with no public road frontage/ profile and surrounded by residential neighbours significantly limits the range of alternative uses that are possible to those that are residential in nature and where the rate of return is again unlikely to come close to justifying the significant costs involved.
- 36 The lack of economic feasibility of alternative uses is also in part confirmed by the fact that some 13 years have now elapsed since the earthquakes. If reuse options were economically attractive then the market is very adept at identifying such opportunities and making approaches to the owners in question. My understanding is that no such expressions of interest have been forthcoming for either building.
- 37 I also understand that there are no insurance proceeds available for either item. Daresbury House was purchased by the submitter on an 'as is where is' basis with the original homeowner being the recipient of any insurance proceeds. As will be outlined by **Mr Holley** or **Ms Quinnell**, CPT obtained a global settlement for earthquake damage across their property portfolio. These funds were then distributed to the affected parishes. The Riccarton Parish has used their share of the payout on mission and community support projects such that the distributed funds have since been spent on fulfilling their core mission.
- 38 There is minimal likelihood of any heritage grant funding being available. Mr Pearson's evidence addresses this matter in respect of Daresbury House. Daresbury House is a private home that is not publicly accessible. As such there are a limited number of grant

programmes that are available. The Council's heritage fund is over subscribed and is insufficient to bridge the gap between cost and end value even if it were wholly allocated to this single project for many years. The owner has had a number of informal discussions with the Council heritage team on this building over the past decade and there has never been any indication that a significant Council heritage grant would be made available.

- 39 As will be outlined in the statement of **Mr Holley** or **Ms Quinnell**, CPT nationally administer a large portfolio of buildings, of which 70 are heritage listed churches and halls. CPT is therefore very aware of the heritage funding sources that are available and regularly seek to access these alternative funding sources where appropriate. In making funding applications, CPT is well aware of the demands on these funds. CPT must therefore be strategic in which projects it prioritises for funding applications in order to not 'water down' the prospects of a successful application. As St James Church is a building that has no functional use for CPT, it will necessarily sit towards the bottom of the priority list for seeking heritage grants.
- 40 In summary, both buildings:
 - 40.1 Contained heritage value at the time they were listed;
 - 40.2 Are likely to still retain heritage values, albeit degraded as a result of damage to fabric;
 - 40.3 The engineering assessments for both buildings are that the extent of damage is substantial and that the works necessary to repair and achieve acceptable levels of %NBS are significant. This is particularly the case for Daresbury House which in essence involves a near-complete deconstruction and rebuilding;
 - 40.4 The costs of these works are substantial, and will exceed the end value of both buildings once repaired by a significant margin;
 - 40.5 No insurance proceeds are available;
 - 40.6 No heritage grants are likely; and
 - 40.7 No reuse options are plausible in terms of locational sensitivity (Daresbury House) and the very low rate of return on investment given the very high costs of repair.
- 41 As such there is minimal prospect of either building being restored. Given this context, the section 32 test then becomes one of assessing the effectiveness of maintaining the listing as a tool for enabling the restoration of the buildings to actually occur. Listing in itself cannot proactively oblige the works to be undertaken. All it can

do is to preserve the opportunity. This 'where there's life there's hope' approach does have a degree of validity in the sense that for as long as the building remains extant there is the prospect (however remote) that a well-funded philanthropist will 'fall in love' with the building and will be willing to undertake the necessary repairs despite such being uneconomic. This 'future hope' benefit has to be balanced against the costs to the building owners.

- 42 In my view there is negligible prospect of the buildings being repaired and therefore ongoing listing simply subjects the owners to three unpalatable choices, namely:
 - 42.1 Retain the building in a derelict state, with the attendant loss of use of the site and the ongoing holding costs along with the need to secure the building to reduce vagrancy;
 - 42.2 Apply for a non-complying resource consent to remove the building. In my experience such an application is certain to be publicly notified. A notified consent process will examine much the same evidence as what is currently before the Panel, with similar opportunities for public participation via submission (or in this case further submissions). In my experience notified consents to demolish heritage buildings routinely cost in excess of \$100k and take around a year to process from start to finish;
 - 42.3 Seek to sell the property in its damaged state. In my experience such buildings are seen as a liability rather than an asset, with the listing devaluing the property. The lack of any unsolicited market in interest for either property, combined with the complete lack of interest from other faith groups in CPT's offer to sell the building, mean that the prospects of a successful sale occurring are remote.
- 43 These costs are very real. They are direct costs to the submitters that run into hundreds of thousands of dollars. There is no evidence in the Council section 42A reports that assess these costs. Wider costs to the community include the ongoing presence of a damaged and vacant building sitting unused for the foreseeable future with associated loss of both amenity values and the functional use of both sites to deliver modern housing and the associated activation and use of the sites.
- 44 There are no benefits to the landowners in ongoing listing. Benefits to the community of retaining a badly damaged building with residential heritage values are limited to a small 'future hope' component that a retention solution, however unlikely, might some day be forthcoming.

- 45 In my view the degree of costs to both the building owners and the community clearly outweigh the very limited benefits delivered by listing and associated regulatory restrictions on demolition.
- 46 As such I consider that the section 32 tests for ongoing listing are not made out and that accordingly the buildings should be delisted.

AMENDMENTS TO THE HERITAGE POLICIES AND RULES PROPOSED IN PC13

47 In addition to seeking delisting, the submissions by Daresbury and CPT both sought a number of amendments to the heritage objectives, policies, definitions, and rules. I discuss these in turn, followed by examination of an alternative approach to delisting sought by Ceres Ltd (submitter #150) who Daresbury and CPT further submitted in support of.

Objectives and Policies

- 48 **Policy 9.3.2.2.3 Management of scheduled historic heritage:** The submissions opposed the deletion of the phrase "recognising that heritage settings and Significant (Group 2) heritage items are potentially capable of accommodating a greater degree of change than Highly Significant (Group 1) heritage items" from Policy 9.3.2.2.3.
- 49 Ms Richmond recommends this relief be rejected for the following reason¹:

This statement in the policy <u>is a generalisation and does not</u> <u>recognise that the ability of an item to accommodate change varies</u> <u>by building as much as by level of significance</u>. Substantial change to a Significant status heritage item can undermine its heritage values.

- 50 I note that the overarching purpose of the policy is to manage the effects on heritage items, heritage settings and heritage areas. Any proposed works are therefore considered on a case-by-case basis, so the policy still provides for consideration of change to a Significant status heritage item and in the event that change to a Significant item was considered to undermine its heritage values then the works could still be considered inconsistent with this policy.
- 51 Similarly, the wording also directs change to those parts of the heritage item or setting which have more potential to accommodate change regardless of the significance of the heritage item. I therefore do not agree with Ms Richmond's findings.

¹ Ms Richmond, para. 8.1.123

52 I consider that the benefit in the retention of the wording is that it serves to acknowledge that there is a difference between the ability of Significant and Highly Significant buildings to accommodate change. I also consider that the inclusion of the reference to Significant buildings in subclause (ii) provides weight to the wording of sub-clause (iii), which seeks to:

conserve, and wherever possible enhance, the authenticity and integrity of heritage items and heritage settings, and heritage area, particularly in the case of Highly Significant heritage items and heritage settings.

- 53 I consider that by differentiating between the ability of Significant and Highly Significant buildings to accommodate change, you also recognise that there is a greater desire to protect the authenticity and integrity of Highly Significant heritage items and heritage settings from potential change.
- 54 **Policy 9.3.2.2.8 Demolition of heritage items:** The submissions opposed the following PC13 amendment to clause (a)(ii):

Whether the extent of the work required to retain and/or repair the heritage item or building is of such a scale that the heritage values and integrity of the heritage item or building would be significantly compromised, and the heritage item would no longer meet the criteria for scheduling in Policy 9.3.2.2.1".

55 The submitters considered that the amendment clearly introduces a new test to Policy 9.3.2.2.8 that is highly unlikely to be able to be met. In considering this point, Ms Richmond states²:

In my view, based on current interpretation of this policy by Council Heritage staff, this is not a new test, as this test is already implied but is unclear in the operative text in the words: "significantly compromised". The additional wording intends to clarify the existing test used in assessing heritage demolition consent applications by Council Heritage Advisors. That is<u>: a building is "significantly</u> compromised" if it would no longer retain significant heritage values - it would no longer retain its significance which enables it to meet the threshold for scheduling, if the repair works (under operative subclause ii) were undertaken. Staff do not have a readily available alternative test for "significantly compromised" to the one already in use. Where there is a repair strategy that would retain the significant heritage values of the building for which it is scheduled, then the test of "significantly compromised" is not met.

² Ibid, para. 8.1.126, underlining my emphasis

56 I consider that there is a disconnect between this statement and the statement of Ms Richmond in paragraph 8.1.28 that:

The scheduling policy is intended to apply to buildings being assessed for inclusion on the schedule of heritage items for the first time, whereas the demolition policy is used to assess applications for resource consent to demolish.

57 I agree that the different policies relate to different stages in the planning process. Policy 9.3.2.2.1 provides guidance to plan changes and associated listing considerations, whereas Policy 9.3.2.2.1 is the key policy for informing decisions on applications to demolish. Both policies are required to give effect to Objective 9.3.2.1.1, which states:

9.3.2.1.1 Objective – Historic heritage

a. The overall contribution of historic heritage to the Christchurch District's character and identity is maintained through the protection and conservation of significant historic heritage across the Christchurch District in a way which:

i. enables and supports:

A. the ongoing retention, use and adaptive re-use; and

B. the maintenance, repair, upgrade, restoration and reconstruction; of historic heritage; and

ii. <u>recognises the condition of buildings, particularly those that have</u> <u>suffered earthquake damage, and the effect of engineering and</u> <u>financial factors on the ability to retain, restore, and continue using</u> <u>them³</u>; and

iii. acknowledges that in some situations demolition may be justified by reference to the matters in Policy 9.3.2.2.8.

58 In considering whether an activity is consistent with Policy 9.3.2.2.8, the reference to "significantly compromised" does not in my view therefore reflect whether or not the item meets the threshold for scheduling in Policy 9.3.2.2.1, but rather whether the condition of the heritage item and the effect of engineering and financial factors on the ability to retain, restore, and continue using them means the item is 'significantly compromised'. It should be considered in terms of whether it gives effect to Objective 9.3.2.1.1 not Policy 9.3.2.2.1.

³ My emphasis added

60 The assessments undertaken on behalf of Council Officers in relation to the submission seeking the delisting of Daresbury House provide a useful case study of the implications of the proposed change in wording and Council's interpretation. As summarised by Ms Richmond⁴:

I consider that <u>it could be repaired and strengthened</u>, <u>despite the</u> <u>need for substantial intervention</u>, <u>and that the scheduling exemption</u> <u>in scheduling policy 9.3.2.2.1 c.iii. is not met, nor is the engineering</u> <u>component of the c.iv. scheduling exemption</u>.

61 From my review of Council evidence, it appears that the position taken by Council Officers is that if a building can be repaired then it does not meet Policy 9.3.2.2.1 c. iv. Of note in considering the Daresbury House example, Mr Hogg provides a detailed summary of the existing damage to Daresbury House and notes⁵:

"The structural engineering required to reinstate Daresbury Homestead free of damage and to a habitable state will result in the substantial loss of original exterior and interior heritage fabric. However, this can in part can be salvaged and used to create a replica.."

- 62 As noted by Ms Richmond, Mr Fulton and Ms Ohs in their respective evidence, despite these engineering factors Daresbury would still meet the criteria for scheduling. In short, even where there is clear engineering evidence, accepted by Council's own engineer, that the degree of works required will result in what is essentially a replica building, Council's planning and heritage Officers still consider a listing threshold to be met. It is therefore challenging to envisage a situation where demolition would ever be deemed to be consistent with this policy as amended by PC13 (now PC14) and as interpreted by Officers.
- 63 Demolition of Highly Significant heritage buildings, such as Daresbury House, is a non-complying activity. The Panel will be well aware of the 'gateway tests' of section 104D of the RMA. Given that the complete loss of heritage fabric invariably generates an at least 'minor' effect, and given Council Officers' above interpretation of Policy 9.3.2.2.1, if the PC13 (now PC14) amendment is in place it

⁴ Ms Richmond, para. 8.1.44

⁵ Mr Hogg, para.43

makes it extremely challenging for any application to pass through section 104D.

- 64 Perhaps as importantly, such an outcome is inconsistent with the Objective which appropriately recognises the unique heritage planning context of Christchurch following the earthquakes and accordingly correctly provides a plausible consenting pathway for assessing badly damaged buildings.
- 65 I therefore recommend that the District Plan wording of Policy 9.3.2.2.1 be retained and the amendment sought in PC13 (now PC14) rejected.

Definitions

- 66 The submissions supported the retention of the following definitions:
 - 66.1 'Heritage Building Code Works'
 - 66.2 'Reconstruction'
 - 66.3 'Repairs'
 - 66.4 'Restoration'
- 67 Ms Richmond accepts these submission points and no further evidence is presented in relation to these definitions.
- 68 I address each of the other respective definitions opposed in the submissions of Daresbury and CPT below.
- 69 **'Alterations':** In relation to the definition of 'Alteration', the submissions considered that the amendments sought through PC13 (now PC14) has the effect of meaning that any change, modification or addition to a heritage item, heritage setting or heritage fabric, or a building in a heritage area will constitute an 'alteration' and would trigger corresponding rules and consent requirements, irrespective of whether it impacts on heritage fabric. This will create unnecessary, costly, and inefficient consent requirements, and provide no benefits in respect of heritage values.
- 70 In response, Ms Richmond notes that⁶:

⁶ Ms Richmond, para. 8.1.116

In relation to concerns about the changes to the Alteration definition, changes such as additions which do not always involve change to heritage fabric often have adverse effects on heritage form and values. Additions are already subject to the definition, so the intention of the change is not to increase the types of change covered by the definition, but to more accurately represent the nature of the works which have potential effects on heritage values.

- 71 The drafting of the heritage definitions received careful consideration during the post-quake IHP process. Care was taken to minimise costs as much as possible for heritage building owners, whilst ensuring adequate protection of heritage values was in place. It was a conscious drafting decision to only capture 'alterations' that affect heritage fabric. This was to enable the replacement of nonheritage fixtures and fittings such as bathroom plumbing, electrical cabling and more modern additions without the need for resource consent. In my view this makes sense as capturing the routine updating of non-heritage fabric is a key tool for ensuring heritage buildings are able to continue to meet the needs of occupants, and thereby ensure that a viable use for these building is retained. If the key issue that Council is seeking to control is the effect on heritage values caused by new additions, then in my view this could be readily addressed through a more focussed amendment to clause (c): "permanent addition of fabric to the exterior or interior that affects existing fabric (whether heritage fabric or not)".
- 72 The amendment proposed in PC13 (now PC14) therefore appears to add considerable costs for little benefit and as such I agree with the submitters that it should either be deleted, or its application be better focussed through the amendment to clause (c) suggested above.
- 73 **Demolition:** The submissions considered that the change in the definition of 'Demolition' has the effect of meaning that any destruction of a non-substantial part of a building constitutes 'demolition' and triggers corresponding rules and consent requirements. To assist, the amended wording proposed in PC13 is as follows:

Demolition in relation to a heritage item, heritage setting, or a <u>building in heritage area</u>, means permanent destruction, in whole or of a substantial part, which results in the complete or significant loss of the heritage fabric and <u>or</u> form.

74 In response, Ms Richmond states that⁷:

the test or threshold in the demolition definition remains the same: "results in the complete or significant loss of heritage fabric or

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⁷ Ms Richmond, para. 8.1.117

form". The intention is to retain the current distinction between alteration and demolition definitions. The change is to more accurately reflect that the effect is not derived from the scale of the material lost but from the heritage values of the material lost.

- 75 If this is the intent of the amendment then in my view the PC13 (now PC14) wording does not achieve the outcome that Council is seeking. The amended wording makes no reference to effects on heritage *values*, rather it retains the existing reference to *fabric*. The loss of a small piece of fabric that has significant heritage value continues to be exempt from the definition (but would still be captured by the definition of 'partial demolition' which is a sub-set of 'alteration'⁸).
- 76 As it stands, the amendment proposed in PC13 (now PC14) simply blurs what are currently clear lines between the definitions for 'demolition', 'partial demolition', and 'alteration'. These terms were intentionally separated out through the IHP process to avoid exactly the sort of confusion the proposed amendment will create.
- 77 For completeness, I note that the definition of 'partial demolition' is not proposed to be amended. This remains:

"in relation to a heritage item, means the permanent destruction of part of the heritage item which does not result in the complete or significant loss of the heritage fabric and form which makes the heritage item significant".

- 78 The 'partial demolition' definition correctly captures the 'small fabric/ big value' scenario identified by Ms Richmond.
- 79 **'Heritage Setting':** The amended definition sought in PC13 (now PC14) removes the wording that a setting '*together with the associated heritage item, has met the significance threshold'* and instead states that '*Heritage settings have not been assessed as meeting the significance threshold for scheduling'*. The submitters consider that heritage settings that do not meet the significance threshold for scheduling should not be listed.
- 80 In response Ms Richmond states that⁹:

The change to the definition is intended to clarify the status of heritage settings which do not meet the threshold for scheduling in their own right, but contribute to the heritage values of the heritage item which does meet the threshold. I do not anticipate any impact on consenting as a result of the proposed amendment.

⁸ Clause (b) of the alteration definition includes 'partial demolition of a heritage item'

⁹ Ibid, para. 8.1.118

81 Having reviewed the submissions and Ms Richmond's response it appears to me that all parties are seeking the same outcome, namely that the definition of a heritage setting is clear that the setting does not in itself form part of the listed item. Considering the explanation above, I consider that more clear and concise wording would simply be:

Heritage setting - means an area surrounding a heritage item, and shown on the Heritage Aerial Map for that item, which is integral to its contextual heritage values to its function, meaning and relationships. <u>Heritage settings are not in themselves part of the</u> <u>listed item.</u> Heritage settings may include...

- 82 For completeness, I support the related statement in the definition sought through PC13 (now PC14) that "*heritage settings exclude entries in Appendix 9.3.7.2 Schedule of significant historic heritage where the associated heritage item has been demolished or relocated from the setting*". Including this wording in the definition is a neat solution to the situation where the item is demolished yet the setting (and associated now redundant regulatory effect) *remains shown in the District Plan (and as such can only be removed following a first Schedule RMA process).*
- 83 **'Relocation':** The submitters oppose the deletion of the exclusions in (a) and (b) that otherwise exclude temporary relocation or realignment works.
- 84 In response Ms Richmond has advised that the change is aimed at simplifying the definition¹⁰. She notes "(*t*)*his does not have the effect of including these works as they are already subject to the Building Code Works definition. There is no change to consenting requirements as a result of the amended wording"*.
- 85 I could not find a definition of 'building code works' in the PC13 (now PC14) provisions as shown on the IHP website. If these matters are separately exempt through other legislation then there is no harm in making that explicit in the definition – removal of the clauses simply appears to introduce ambiguity where the operative provision provides clarity. I therefore agree with the submitters that the operative definition should be retained.

Rules

86 **8.9 Rules – earthworks:** In relation to 8.9 Rules – earthworks, I am supportive of the proposed revision to the activity standard recommended by Officers for earthworks within 5m of a heritage

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¹⁰ Ibid, para. 8.1.119

item and consider that this is a more effective and efficient way of managing earthworks within 5m of a heritage item.

87 **9.3.4.1.1 P8 and P9 Permitted Activities:** Having considered Ms Richmond's explanation¹¹, I agree that alteration, relocation, or demolition of buildings in heritage settings, which are not individually protected as heritage items, do not require consent under the operative district plan heritage rules, or by the addition of proposed rule 9.3.4.1.1 P8.

Matters of discretion

- 9.3.6.1(a): The submitters oppose the deletion of clause (a), given that damage incurred as a result of the Canterbury earthquakes of 2010 and 2011 including the costs of repair and reconstruction, should remain a relevant matter for consideration.
- 89 For ease of reference, the original matter of discretion was:

The nature and extent of damage incurred as a result of the Canterbury earthquakes of 2010 and 2011 including the costs of repair and reconstruction.

- 90 The submissions identify that there are a number of heritage buildings in Christchurch which are still in a state of disrepair and are significantly damaged as a result of the Canterbury earthquakes. The submissions consider that it is premature to remove this matter of discretion which sensibly provides specific guidance for heritage buildings that have been earthquake-damaged. For the reasons discussed below, I agree with the submitter's concerns.
- 91 In considering this submission point, Ms Richmond notes¹² "12 years on it is considered more relevant to take earthquake damage (from previous and future earthquakes) into account in the context of damage caused by natural events in matter f".
- 92 The proposed replacement wording referenced by Ms Richmond is:

f. The extent to which the heritage fabric or heritage values have been damaged by natural events, weather and environmental factors and the necessity and practicality of work to prevent further deterioration.

93 She goes on to identify that:

There are approximately 32 scheduled heritage buildings on Christchurch City Council's Earthquake Prone Buildings register of

¹¹ Ibid, para. 8.1.102

¹² Ibid, para. 8.1.103

the 679 scheduled heritage items in the operative district plan. This represents 5% of the heritage schedule in Appendix 9.3.7.2 at 1 July 2023, noting that a number of protected heritage items are not buildings, a small number of buildings have been demolished or are due to be demolished, and this does not include the unrepaired buildings that are not classified as earthquake prone.

- 94 I have been unable to identify any reference in Council evidence to the number of earthquake damaged items that are not classified as earthquake prone to understand if this matter of discretion truly 'remains relevant for a small number of unrepaired buildings'. Notwithstanding the above, the Strategic Directions set out in Section 3.2 of the District Plan specifically references the impact of the Canterbury earthquakes, as does the heritage Objective and the Policy on demolition discussed above. I therefore consider it remains appropriate to retain the operative matter of discretion 9.3.6.1(a), particularly in light of the fact no evidence on the potentially affected number of properties appears to be available.
- 95 I consider that the operative matter of discretion 9.3.6.1(a) and the proposed matter of discretion 9.3.6.1(f) could both be incorporated without conflict, and that this approach would more appropriately provide for the relevant discretion to be applied to both owners of heritage items damaged in the Canterbury earthquakes, and for potential future scenarios where heritage items have been damaged by natural events, weather and environmental factors.

An alternative approach to de-listing badly damaged buildings

- 96 Daresbury was a further submitter in support of the submission of Ceres New Zealand (#150.16), which requested that the listed building schedule be amended to identify significantly damaged heritage items which face substantial challenges to their ongoing restoration and economic reuse. In short, an additional column could be added to the schedule of listed items to identify those items that have sustained significant earthquake damage. This proposed approach simply enables the District Plan to appropriately recognise that the City has experienced a significant earthquake event with the consequence that a 'status quo' approach to scheduling is not appropriate for a discrete number of heritage items are not intact but instead are in a precarious condition that it is completely artificial to ignore or not acknowledge.
- 97 The Ceres submission also sought associated policy recognition for this situation along with a Restricted Discretionary demolition rule, and customised matters of discretion. My colleagues at Planz Consultants assisted in the preparation of the Ceres submission. While Ceres New Zealand has chosen not to produce evidence, I consider that the proposed amended schedule and associated policy

and rule package is a more appropriate way to achieve the purpose of the RMA than the status quo option preferred by Ms Richmond.

- 98 I note that my evidence focuses on providing an appropriate set of provisions for the demolition of the heritage items identified in the revised schedule. I consider that the operative provisions provide an appropriate consenting pathway for the assessment of any resource consent application to repair and reuse these items and a separate rule is not required.
- 99 In preparing the schedule and identifying those items that should be included on it, I acknowledge Ms Richmond comments that¹³ "Council's Heritage team is aware of the buildings which remain unrepaired and/or are included on the Council's Earthquake Prone Buildings register". An associated footnote references approximately 32 scheduled heritage buildings on Council's Earthquake Prone Buildings list.
- 100 At the time the IHP process was undertaken, many heritage buildings were still subject to insurance processes and had yet to have detailed engineering assessments undertaken due to the heavy demand on structural engineering firms in the years immediately following the earthquakes. The Operative Plan was therefore drafted in an environment where the extent of damage to many buildings was unknown and where aftershocks were an ongoing occurrence with the extent of damage continually changing.
- 101 With the benefit of time we now have a much-improved knowledge base of which buildings remain in a damaged and vacant state. The proposed amended schedule can therefore be specifically targeted to the discrete number of known buildings on Council's list.
- 102 Ms Richmond considers¹⁴ "that a separate schedule and rules for these significantly damaged buildings is not required, and such a schedule would become out of date, particularly in the event of a future earthquake". I disagree with this statement and note that existing heritage items, trees etc are already scheduled in the District Plan. These schedules are equally as exposed to changes in circumstances for specific items that could see them become out of date, especially were another large earthquake to occur. I therefore do not follow Ms Richmond's logic on this point.
- 103 I have set out above my concerns with how the current policy and rule package functions, especially with the amendments proposed though PC13 (now PC14). Whilst the current provisions make reference to consideration of earthquake damage, this is not the same as now being in the position where a more considered

¹³ Ibid, para. 8.1.106

¹⁴ Ibid, para. 8.1.106

assessment of the heritage schedule, and appropriate acknowledgement of known significant damage to a discrete list of buildings can be undertaken.

- 104 I consider that a specific schedule, policy and associated rule, which focuses on a discrete and known number of heritage items that have remained in a state of disrepair since the Canterbury earthquakes would better give effect to Objective 9.3.2.1.1, which "*recognises the condition of buildings, particularly those that have suffered earthquake damage, and the effect of engineering and financial factors on the ability to retain, restore, and continue using them*", and the overarching Strategic Directions in Chapter 3.
- 105 In considering an appropriate activity status, Ms Richmond states that¹⁵ "*Discretionary and Non-Complying activity status appropriate to allow the broadest possible assessment of relevant heritage and non-heritage factors specific to each building..."*. I am unclear what 'non-heritage' factors are relevant for a proposal to remove a significantly damaged heritage building. The District Plan already provides a restricted discretionary activity status for the demolition of the Christ Church Cathedral, which reflects the known factors associated with this building. The proposed schedule simply seeks to adopt a similar approach for other scheduled heritage items on Council's Earthquake Prone Buildings list.
- 106 If a restricted discretionary activity status was accepted, I note that care needs to be taken in specifying the matters over which the council restricts its discretion. I consider that 12 years on from the Canterbury earthquakes, the relevant matters of discretion when considering the effects of works to significantly damaged heritage items, are well understood. The recommended matters of discretion below also reflect those matters of discretion that would apply to a resource consent to demolish the Christ Church Cathedral. I further note that an application for a restricted discretionary activity can be notified or non-notified and can be declined or granted (with or without conditions).
- 107 If the Panel were minded to accept my recommendation on the new schedule and associated provisions, but considered Discretionary activity status was more appropriate then this could be easily provided for and would still, in my opinion, better achieve the intent of Objective 9.3.2.1.1 and the Strategic Directions contained in Chapter 3 that the option proposed by Council.
- 108 Ms Richmond concluded that "*a customised rule or matters of discretion are necessary for demolition of significantly damaged buildings, as <u>the current provisions framework already adequately provides for this assessment</u>". I consider that the section 32 test*

¹⁵ Ibid, para.8.1.108

focuses on the most appropriate way to achieve the purpose of the RMA. When considered against the section 32 tests, I consider that the proposed amended schedule provides the most appropriate mechanism for responding to the specific circumstances of those known heritage items that have been significantly damaged by the Canterbury earthquakes and which remain in a state of disrepair. For the District Plan to ignore this reality and in effect treat all listed items as if they are all wholly intact is to design a Plan that simply does not reflect on-the-ground reality.

109 I provide an amended suite of provisions on this matter in **Appendix 1**.

CONCLUSION

- 110 Listing is a tool to achieve the District Plan's objectives. It is likewise a tool where the costs and benefits of the regulation must be clearly justified.
- 111 It is accepted that both Daresbury House and St James Church contained heritage value at the time they were listed.
- 112 Both buildings sustained significant damage in the Canterbury earthquake sequence and have been vacant ever since. It is accepted that whilst this damage must necessarily have reduced heritage values, the values that remain are likely to still meet the criteria for listing.
- 113 Section 32 does not however start and end with a 'tick box' exercise that heritage values are present. It instead requres a careful assessment of the effectiveness, efficiency, costs and benefits of the listing and associated regulation being clearly demonstrated.
- 114 The engineering reports identify significant repair work is required.
- 115 The quantity surveying reports identify that the costs of these works is substantial and that the end value of the buildings is markedly less than the costs of undertaking the repair works. Any restoration project must therefore result in a significant capital loss for the building owners.
- 116 There is no insurance money available for either building.
- 117 The likelihood of any grant funding being sufficient to make up the value shortfall for either building is remote.
- 118 For St James Church the building (even if restored) is of no functional use to CPT. Expenditure of significant funds on a heritage building that does not contribute to the core mission is not something that a reponsible trustee would entertain.

- 119 The prospects of an alternative use that generates sufficient revenue to justify the restoration works is remote. There has been no interest in either building from third parties in the decade since the earthquakes.
- 120 The costs associated with retaining the listing on both buildings is significant. Council Officers appear to have largely disregarded these costs in their assessment.
- 121 There is no benefit in the listing for the owners. There is little benefit in the listing for the community given the remote prospect of restoration.
- 122 I therefore conclude that ongoing listing does not meet the tests of section 32.
- 123 In addition to seeking de-listing, the submitters have sought a series of amendments to the heritage policy and rule framework. In the main the amendments sought simply seek retention of the status quo provisions. I have identifed where I agree with the relief sought in the submissions as a being a more effective and efficient means of achieving both the heritage Objective and ultimately the purpose of the RMA.
- 124 I have assessed as an alternative to complete de-listing a tailored response to ensuring that the listed schedule appropriately reflects the on-the-ground reality that there are a discrete number of known badly damaged heritage buildings. It is artifical for this current state to not be reflected in the District Plan provisions. Given that these buildings have remained derelict for over a decade, the restoration prospects of many of them must be slim. A restricted discretionary consenting pathway for assessing demolition is considered to be more appropriate than the status quo provisions which were drafted during a time of significant uncertainty as to the condition of individual buildings.
- 125 I therefore recommend that the relief sought by Daresbury and CPT, as amended through the above discussion, be accepted.

Jonathan Clease 20 September 2023

Appendix 1. Recommended text amendments (shown in red)

Proposed Provisions

9.3.2.2.8 Policy – Demolition of heritage items

- a. When considering the appropriateness of the demolition of a heritage item scheduled in Appendix 9.3.7.2, or <u>Appendix</u> 9.3.7.2a or a defining building or contributory building in a heritage area scheduled in Appendix 9.3.7.3, have regard to the following matters:
 - i. whether there is a threat to life and/or property for which interim protection measures would not remove that threat;
 - whether the extent of the work required to retain and/or repair the heritage item or building is of such a scale that the heritage values and integrity of the heritage item or building would be significantly compromised, and the heritage item would no longer meet the criteria for scheduling in Policy 9.3.2.2.1;
 - whether the costs to retain the heritage item or building (particularly as a result of damage) would be unreasonable;
 - iv. the ability to retain the overall heritage values and significance of the heritage item or building through a reduced degree of demolition; and
 - v. the level of significance of the heritage item; and

vi. whether the heritage item is scheduled in Appendix 9.3.7.2a.

9.3.4.1.3 Restricted discretionary activities

RD9 Demolition of a heritage item scheduled in Appendix 9.3.7.2a.

The Council's discretion shall be limited to the following matters:

a. <u>Matters of discretion for demolition of items scheduled in</u> <u>Appendix 9.3.7.2a</u>

9.3.6.7 Demolition of items scheduled in Appendix 9.3.7.2a

- a. <u>Whether the engineering requirements and associated costs of</u> retaining the heritage item in whole or in part are <u>unreasonable.</u>
- b. <u>Whether there is a threat to life and/or property as a result of the condition of the building.</u>
- c. <u>Where demolition of the whole or a substantial part of building</u> is proposed, whether resource consent has been applied for and/or has been granted for a replacement building.
- d. <u>The methodology for demolition including the phasing of the</u> works, heritage fabric to be retained, and how any heritage fabric to be retained is to be stored.

Any mitigation measures, such as installation of interpretative panels on the site that identify the history and significance of the heritage item, and may include. photographs, text and architectural plans of the building.

and:	Daresbury Limited
in the matter of:	proposed Plan Change 14 to the Christchurch District Plan
under:	the Resource Management Act 1991

(Submitter 874)

Statement of evidence of Brett Andrew Gilmore for Daresbury Limited (Structural Engineering)

Dated: 20 September 2023

Reference: Jo Appleyard (jo.appleyard@chapmantripp.com) Annabel Hawkins (annabel.hawkins@chapmantripp.com)

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STATEMENT OF EVIDENCE OF BRETT GILMORE FOR DARESBURY LIMITED

INTRODUCTION

- 1 My full name is Brett Andrew Gilmore.
- 2 I am the Joint Managing Director and a Senior Structural Engineer with Quoin Structural Consultants (*Quoin*), and formerly known as Structex Metro Ltd (*Structex*). I have held this position since 2006.
- 3 I have been engaged by Daresbury Limited (Submitter #874) to provide evidence on structural engineering issues in relation to the proposed Plan Change 14 to the Christchurch District Plan. I have also given evidence on behalf of Submitter #1092 in relation to the Harley Chambers building on this same topic.
- 4 I first became involved with the review of this property in 2011 when working for Structex. I was engaged by Cunningham Lindsay Loss Adjustors to inspect and assess the earthquake damage caused to the house and complete a report that outlined the general scope of repairs required to reinstate the house back to its pre-earthquake condition. The report was used by the Insurer and owner to establish a cost estimate for the repairs and help assess whether the repairs would be economically viable or not.
- 5 In 2015, the property was sold. I assisted with the supervision of various people into the House (sales agents, photographer, prospective purchasers) as part of ensuring safe access for those people.
- 6 In 2016, I updated the assessment information from 2011-2012 for the new Owner to establish a cost estimate for the repair of the building and for the Owner to assess if it was economically viable to repair the building or not.
- 7 In 2018, the property was purchased by Daresbury Limited. I was engaged by Milne Construction Ltd to complete a more detailed structural assessment to estimate the earthquake strength of the building as a percentage of the New Building Standard (% x NBS), plus assist with supervision of detailed investigations of the building's construction, and provide a detailed scope of recommendations to repair the building back to its pre-earthquake condition and to a minimum earthquake strength of 67% x NBS. This review is summarised in my Quoin Structural Assessment Report dated 17 May 2019 (*the Quoin Report*).

QUALIFICATIONS AND EXPERIENCE

8 I received a Bachelor of Engineering (Civil) (Hons) in 1989. I am a member of Engineering New Zealand (ENZ); and am a Chartered Professional Engineer (Reg #139988).

- 9 I am a member of the Structural Engineering Society New Zealand (SESOC), Timber Design Society and Canterbury Structural Group.
- 10 I have over 30 years' experience in the structural engineering design industry, both in New Zealand and overseas. This includes:
 - 10.1 Holmes Consulting Group, Christchurch (1992-1999 and 2003-2006).
 - 10.2 Thornton Tomasetti Engineers, New York (1999-2003).
 - 10.3 Structex Metro Ltd (now Quoin Structural Consultants), Christchurch (2006-present).
- 11 I have significant expertise in the structural assessment of structural earthquake damaged buildings following the 2010-2011 Canterbury Earthquake Sequence (*CES*) and developing scopes of repairs for these buildings.

CODE OF CONDUCT

12 While this is not an Environment Court hearing, I note that in preparing my evidence I have reviewed the Code of Conduct for Expert Witnesses contained in Part 9 of the Environment Court Practice Note 2023. I have complied with it in preparing my evidence. I confirm that the issues addressed in this statement of evidence are within my area of expertise, except where I state that I am relying on the opinion or evidence of other witnesses. I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed.

SCOPE OF EVIDENCE

- 13 My evidence will address the structural engineering matters for this building, which includes review of the earthquake damage caused to the building and the building's current condition, and strategies for repairing the building to a safe and useable condition.
- 14 In preparing this evidence I have:
 - 14.1 Reviewed the submission by Daresbury Limited.
 - 14.2 Referred to my Structural Assessment Report of the building dated 17 May 2019 (*the Quoin Report*), which is attached as Appendix 1 to my evidence.
 - 14.3 Reviewed the relevant structural related Council section 42A reports and evidence completed by Stephen Hogg from Aurecon, dated 11 August 2023, and that includes the Structural Inspection Report by Win Clark dated 13 July 2012. The sections of Stephen Hogg's evidence that specifically

relate to Submission #874 Daresbury Homestead includes pages 12-20 and a copy of Win Clark's report in Appendix F.

- 14.4 My evidence will summarise the earthquake damage caused to the building and my recommendations for repairing and strengthening the building to 67% x NBS.
- 14.5 My evidence will discuss the conclusions reached in the Quoin Report as they relate to Daresbury Limited's submission. It will consider the difference in approaches between the Quoin Report and the Aurecon Report, where there are any.

SUMMARY OF EVIDENCE

- 15 The building suffered significant damage as a result of the CES:
 - 15.1 The building will require extensive repair works to reinstate the building back to its pre-earthquake condition and to a safe minimum earthquake strength of 67% x NBS.
 - 15.2 I have recommended a repair strategy that focuses on reinstating the appearance of the building's aesthetics and features, but that needs to be widely intrusive across the footprint of the building, at all levels, to achieve this and meet a minimum level of earthquake strength.
 - 15.3 The damage caused to the building is significant and widespread across the footprint. While aiming to be sensitive to the heritage nature of the building when considering the structural repairs and strengthening of the building to a safe level, it is unavoidable, in my opinion, that such repairs are intrusive across a significant portion of the building's structure and features, that includes the walls, floors, roofs, chimneys and foundations.
 - 15.4 The Structural Technical Advice provided by Mr Hogg concurs with all of the major structural issues and is in general agreement with myself on the repair and strengthening works required.
 - 15.5 For the alternative options noted by My Hogg I agree that these are structurally feasible, but I have provided comments noting where these might affect the internal spaces and how these may compare with and affect my proposed repair methodology.

STRUCTURAL DAMAGE AND BUILDING CONDITION

16 The earthquake damage caused to the building from the CES is as generally summarised in the Quoin Report. I have referred to rooms as per the floor plans in Appendix 8.4 of the Quoin Report (pages 83-85 of 101). A summary of the structural related damage includes:

- 16.1 The exterior brick walls are extensively cracked to all sides of the building. This includes various vertical, horizontal, and diagonal cracks in the mortar courses and many of the cracks pass through individual bricks.
- 16.2 Various sections of the exterior brick walls have laterally displaced approximately 10-20mm in the plane of the wall and some sections 10-20mm out of plane. These failed walls are considered to be in a dangerous condition that could result in partial collapse of sections of the building under a moderate to large earthquake. These walls include:
 - (a) West wall to Dining Hall.
 - (b) West wall and west ends of the south and north walls to the Lounge.
 - (c) North wall at north-west corner of Family Room.
- 16.3 The foundations have differentially settled in some areas of the residence. These differential slopes in the ground floor/foundations include the following where the slope exceeds the suggested acceptable limits of 0.5% per the MBIE Residential Guidance for Repairing and rebuilding houses affected by the Canterbury earthquakes:
 - (a) Lounge:
 - (i) 48mm fall (1.0%) from middle of floor to southwest corner.
 - (ii) 24mm-32mm (0.7% 0.8%) fall from middle of floor to the east wall to the Family Room that includes the heavy chimney stack (CH2).
 - (iii) 28mm fall (0.8%) over south end of west exterior wall.
 - (b) Family Room:
 - (i) 32mm-36mm (0.7% 0.9%) falls from the middle of the room to the west interior wall to the Lounge and to the exterior north and east walls.
 - (ii) 26mm (0.7%) fall across the north bay window.
- (iii) 26mm (0.9%) fall from north bay window towards west.
- (c) Office/Kitchen
 - Approximately 15mm-20mm settlement of Chimney (CH4) foundation between the Office and Kitchen, but floor slopes remain acceptable at 0.5% or less.
- (d) Library:
 - (i) 14mm-22mm (0.6%) falls from middle of room towards west exterior wall.
- 16.4 The first floor to the main north 3-storey section of the building is out of level over its relative area. This has likely occurred as a result of a combination of creep deflection in the floor framing and the differential ground settlements noted above.
- 16.5 All of the brick chimneys partially collapsed and were removed down to roof level following the main earthquake.
- 16.6 There are a large number of cracks in the walls and ceilings to the interior of the building at all of the floor levels. Most of the cracks have penetrated the GIB board and lath and plaster, where visible, especially at the first floor level.
- 16.7 Severe damage was observed to the finishes, that includes failure of the sheet material. This was observed in a large number of the rooms.
- 16.8 The exterior cladding above the first-floor level, that comprises of pebble dash decorative plaster over brick infill, has suffered some significant and widespread damage. This includes:
 - (a) Significant cracking of the plaster and movement gaps between the plaster/bricks and the timber studs/transoms, to the west exterior wall of Bed 7, Bed 8, and the adjacent stairs, plus the north-west corner of Bed 8, and to parts of the west walls to the Dining Hall.
 - (b) Cracking and/or tearing of the plaster, and smaller movement gaps in the walls noted in (a) above, to the remainder of the wall elevations of the building.
 - (c) The damage noted above has compromised the weather-tightness of the cladding system, plus the

brick infill has loosened between the timber stud and transom framing.

- 16.9 Damage to roof tiles due to the collapse (full or partial) of the chimneys.
- 16.10 Slippage movement of the roof tiles. Subject to a more detailed assessment, damage was observed to the roofs to the Dining Hall, Bed 6/7, east entry, Bed 7 east end, and Bed 5/Ens 5.
- 16.11 Other damage to elements and finishes include, but are not limited to:
 - (a) Bent and cracked lead framed window to Family room.
 - (b) Cracks and movement gaps to internal fireplace surrounds.
 - (c) Ceiling damage due to post-earthquake water damage and broken windows to middle stairwell.
 - (d) Movement gaps to fixed joinery.
 - (e) Ceiling damage due to swinging light in Bed 7.
- 17 The buiding is currently in a very poor structural condition, with some sections susceptible to collapse. This includes:
 - 17.1 The 3-storey north section of the building is in a very dangerous condition and could suffer a significant collapse if another moderate-large earthquake were to occur. This is due to the failed loadbearing brick walls as noted in (16.2) above, and the extensive cracking that has occurred to other loadbearing brick walls in this section of the building as noted in (16.1) above.
 - 17.2 All sections of the brick construction that are cracked are currently in a much more weakened condition than before the earthquakes, when those sections of brickwork were uncracked.
 - 17.3 Other parts of the building could also suffer further significant damage and pose a risk to life safety. These mainly include the other areas of heavy brick wall construction, whether currently cracked or uncracked.
 - 17.4 The exterior roof and wall claddings of the building have suffered damage that has affected the weather tightness of the building in a number of areas, and that results in ongoing degradation of those systems. This includes areas of the slate

tile roof cladding, exterior brick walls, and exterior plastered brick wall cladding.

ASSESSED EARTHQUAKE STRENGTH OF THE BUILDING

- 18 The preliminary assessment by Quoin confirmed that the building would be considered to be earthquake prone with an assessed undamaged strength of 13% x NBS, not taking into account that some of the walls have failed and would have a lower % x NBS.
- 19 The main purpose of this assessment was to assess whether the building, in its undamaged pre-earthquake condition, was earthquake prone or not, and determine the weaker sections of the building for which strengthening would likely be required as part of the repairs. It was noted that the failed brick walls would need to be replaced as part of any repair, so this assessment focused on assessing the strength of the less damaged walls.
- 20 It is noted that the earthquake prone limits of 33% x NBS that are commonly used for commercial and public buildings do not normally apply to a single residential building. However, given the very large scale and size of the building, and that the building comprises of extensive unreinforced brick walls that have suffered significant damage, then the approach of assessing % x NBS was considered appropriate for this building.
- 21 It is also noted that for any repairs, then a Building Consent would be required, and I understand that the Christchurch City Council would likely require strengthening to a minimum target level of 67% x NBS for this type and size of building and for the large extent of repairs required.
- 22 The assessed % x NBS for the main structural elements include:
 - 22.1 Ground floor north-south brick walls in-plane strength: 39% x NBS average.
 - 22.2 Ground floor east-west brick walls in-plane strength: 29% x NBS average.
 - 22.3 First floor north-south timber framed sheet braced walls: 23% x NBS average.
 - 22.4 First floor east-west timber framed sheet braced walls: 30% x NBS average.
 - 22.5 Second floor east-west timber framed sheet braced walls at north end of Entertainment: 13% x NBS.
 - 22.6 Second floor north-south timber framed sheet braced walls: 36% x NBS average.

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- 22.7 Second floor east-west timber framed sheet braced walls: 37% x NBS average.
- 22.8 South chimney to Dining Hall: 20% x NBS out-of-plane in north-south direction.

OPTIONS FOR REPAIR (BRETT GILMORE)

- 23 The following is a summary of my recommendations for the structural repairs required to reinstate the building back to its preearthquake structural condition, and to satisfy a minimum strength of 67% x NBS. Additional information and explanation of my assessment of these repairs is provided in the Quoin Report.
 - 23.1 Remove the damaged exterior brick walls, and replace with timber framed walls with an exterior brick veneer to reinstate the architectural aesthetic. The extent of these walls includes all of the brick walls to the two and three storey sections of the residence and to the large height Dining Hall.

This repair strategy has the benefit of reducing the overall seismic mass of the building and allows the building's earthquake strength to be increased above 33% x NBS with the use of lighter weight GIB sheet bracing walls, supplemented by steel frames where required.

- 23.2 For the exterior brick walls that do not appear to be significantly damaged, I recommend that the exterior wythe to these walls be retained and repaired with Helifix bars and dryfix ties. These include the single storey lower height walls to Office 2 at the south-west corner and the Library and Hall 3 to the west side (middle).
- 23.3 All of the chimney stacks be removed down to ground level and reconstructed as lighter weight structures. This will have the benefit of reducing the seismic mass of the building and allows the building's earthquake strength to be increased, as noted in 23.1 above.

Given that the brick chimney stacks form an important part of the architectural aesthetic, I recommend to reinstate all of the sections of the chimneys that are exposed with brick veneer.

I recommend to laterally support the tall chimney stacks with internal steel trussed frames that are commonly used for such tall chimney construction. It may be possible, subject to review by an experienced contractor, to re-use parts of the existing chimney stacks that collapsed and/or have been removed and stored on site.

- 23.4 I recommend to remove and replace the existing unreinforced foundations beneath the exterior ground floor walls that are to be reconstructed.
- 23.5 For the existing unreinforced chimney pads, I recommend that these be removed and replaced with reinforced foundation pads that are sized to support the new steel trussed frames for the reconstructed chimneys. These steel frames form part of the lateral resisting systems for the building, together with the sheet braced walls (refer 23.7) and steel portal frames (refer 23.8).
- 23.6 I recommend to remove and replace all of the plastered brick infill to the external walls and replace with a compliant weather tight cladding system. This both repairs the damaged infill sections and reduces the seismic mass of the building to a level where the building can be earthquake strengthened to a minimum of 67% x NBS. This strategy also allows for the ground level brick walls to be more easily removed and replaced with a lesser amount of temporary propping required.

These repairs will likely involve the installation of a new compliant cladding system, with cavity, and detailed/finished with timber and decorative plaster to match the existing exterior aesthetic. To support the new cladding and internal additional wall finishes and sheet bracing, I recommend to allow to install additional timber studs and dwang framing to provide a compliant wall construction.

23.7 I recommend to remove all of the interior lath and plaster and Gib wall finishes, and reinstate with new Gib Braceline sheet braced walls, including standard hold down straps and bolts.

This both repairs the damaged wall finishes and reinstates the walls as stronger bracing elements that can achieve the target $67\% \times NBS$ strengthening.

- 23.8 Further to the new sheet braced walls and steel trussed chimney frames, Quoin assessed that supplementary steel frames would be required for the building to achieve an assessed earthquake strength of 67% x NBS. These supplementary frames include the following and require new foundations to achieve adequate strength and stiffness:
 - (a) Portal frame PF1 to Lounge with new north-south foundations across the width of the Lounge.
 - (b) Portal frame PF2 to north wall of Lounge, supported on new exterior foundation.

- (c) Portal frame PF3 to east exterior wall of Family, supported on new exterior foundation.
- (d) Portal frame PF4 to east exterior wall of kitchen, supported on new exterior foundation.
- (e) Portal frame PF5 to north wall of Bed 1, supported on first floor exterior wall.
- (f) Cantilever steel columns to the east and west exterior side walls of the Dining Hall with new transverse eastwest 'finger' beams to provide a rigid base to the columns.

I have proposed the installation of these steel columns, together with proposed steel wall transoms and roof bracing, to provide a structural solution that takes into account the architectural features of the timber framed roof by minimising the extent of visible steelwork. This includes the steel columns to be built into the walls and the roof bracing to be installed on top of the timber roof sarking, so that the main steel elements are not visible in the repaired building. This assumes that the roof tiles will be replaced as part of the repairs.

- (g) New tie beam foundations are recommended to be installed to the north side entry canopy posts and the west side first floor balcony posts to mitigate against possible lateral spreading of the foundations as noted in the geotechnical report.
- 23.9 I recommend allowance to remove all of the ceiling finishes throughout the building, and replace with new 13mm Gib, fixed in accordance with NZS 3604 and the Gib installation guidelines. This does not include the timber feature ceiling to the Dining.
- 23.10 I recommend that the areas of the floors and foundations summarised in (16.3) be relevelled to within the 0.5% slope criteria recommended in the MBIE Guidelines. This includes:
 - (a) Lounge, Family & Library: The central areas of the floor to be lowered by 10mm-20mm. I recommend to replace the interior piles, as is standard practice, rather than notching existing bearers. The sections around the perimeter will be relevelled as part of the foundation replacement repairs where recommended for the Lounge and Family Rooms.

- 23.11 There are large areas of the first floor that have floor slopes that exceed the MBIE Guidelines. It is likely that the dislevelment is caused by a combination of creep deflection in the floor framing and some differential settlements of the main foundations. I recommend that the floor levelness be reviewed following completion of the foundation repairs and the relevelling.
- 23.12 The scope and extent of the non-structural repairs is to be reviewed and assessed by a licensed building practitioner. This may include, but may not be limited to the following:
 - (a) Cracks, lateral displacement, and/or bows in windows and doors.
 - (b) Displacement of decorative timber joinery and reveals to internal doors.
 - (c) Damage to floor finishes.
 - (d) Damage to joinery and fixtures.
 - (e) Damage to fireplace surrounds.
 - (f) Damage to spouting and downpipes.
 - (g) Damage to plumbing and services.
 - (h) Consequential effects of undertaking the main structural repairs and strengthening, such as removal of bathroom and kitchen finishes and fixtures, and temporary propping/bracing of the building structure during the repairs.
- 24 The impact on the heritage fabric caused by the scope of the structural repairs will be addressed by the evidence of other experts.
- 25 I note that my proposed repair methodology focuses on reinstating the appearance of the building's aesthetics and features (exposed brickwork chimneys and walls, and exposed feature timber roof structure in the Dining) whilst also aiming to achieve a strengthening system that works with the existing layout of walls throughout the building at all levels, and that can achieve seismic strengthening to 67% x NBS. Further comments as follows:

- 25.1 I have recommended a structural repair methodology that aims to retain brickwork that is undamaged or minimally damaged, where practical to do so.
- 25.2 The current proposed methodology utilises all of the available light weight walls as sheet braced walls and that requires supplementary steel frames to the chimneys and ground floor walls.
- 25.3 To achieve a strengthening target of 67% x NBS, it is my opinion that the seismic weight of the building needs to be reduced as much as possible, otherwise a practical solution per (25.2) is not possible. In this regard, a large portion of the brickwork to the chimneys and walls in the 2-3 story section of the building needs to be removed, and reinstated in a light-weight form to reinstate the aesthetic.
- 25.4 The damage caused to the building is significant and widespread across the footprint.

While aiming to be sensitive to the heritage nature of the building when considering the structural repairs and strengthening of the building to a safe level, it is unavoidable, in my opinion, that such repairs are intrusive across a significant portion of the building's structure and features, that includes the walls, floors, roofs, chimneys and foundations.

- 25.5 The intrusiveness of my recommended scope of repairs includes:
 - (a) Removal of damaged brick walls and replacement with lighter weight construction, with brick veneer, as noted in (23.1) above.
 - (b) Remove all of the brick chimney stacks down to ground level and reconstruct as lighter weight steel trussed structures, with new brick veneer to replicate previously exposed brickwork, as noted in per (23.3) above.
 - (c) Remove all plastered brickwork to external walls and reinstate with new light-weight compliant cladding system and associated framing, as per (23.6) above.
 - (d) Remove all interior wall finishes (lath and plaster, and Gib), throughout the building and replace with new Gib wall sheet bracing elements, as noted in (23.7) above.

- (f) Cut back existing brick walls to the Dining Hall so that steel columns can be installed, as noted in (23.8)(vi) above.
- (g) Add exposed steel eaves transoms to top of the walls in the Dining Hall, or alternatively cut back top of existing brick walls to hide steel or concrete transoms, as noted in (23.8)(vi) above.
- (h) Remove all of the roof cladding over the Dining hall, and other areas of damaged roof cladding, and replace with new, as noted in (23.8)(vi) and as related to chimney reconstructions and other areas of damaged roof cladding.
- Remove areas of the ground flooring where required for re-levelling and installation of new foundations, as related to (23.4), (23.5), (23.8), and (23.10) above.
- 25.6 Refer to my comments in (29) regarding alternative repair options.

RESPONSE TO COUNCIL SECTION 42A REPORTS AND EVIDENCE, INCLUDING ALTERNATIVE OPTIONS FOR STRUCTURAL REPAIRS

- 26 I have read the Section 42A structural related reports and associated Appendices that includes evidence from Mr Hogg of Aurecon and that includes a copy of the Structural Inspection Report by Win Clark dated 13 July 2012.
- 27 I note that the Structural Technical Advice provided by Mr Hogg concurs with all of the major structural issues and is in general agreement with myself on the repair and strengthening works required.
- 28 Mr Hogg also provides comments on Mr Clark's Report. I have reviewed Mr Clark's Report and I concur with Mr Hogg's comments where Mr Clark's opinion differs from Mr Hogg's and myself.
- 29 Some alternative options for the repair of various parts of the building are noted by Mr Hogg. My comments on these alternatives are as follows below, with Mr Hogg's comments shown in *italics*:
 - 29.1 For areas of damaged brick walls that are not displaced out of alignment a feasible alternative repair option can be achieved by leaving the exterior walls "as is"; removing all internal

linings; and applying a shotcrete spray of a 100mm layer of reinforced concrete over the interior face of all exterior brick walls. New foundations would need to be incorporated with the shotcrete walls.

The application of a 100mm thick shotcrete skin increases the thickness of the wall and decreases the size of the internal space, so this may affect the appearance of some of the internal finishes and features, especially where the length of wall between a corner and window is small. It also affects the appearance and aesthetic of the windows due to the added wall thickness.

The additional shotcrete adds some weight to the structure and also means that the seismic weight of the brick wall is also not reduced as is currently intended by my recommended methodology. If such skin walls are installed at the lower level only then the additional seismic weight will require proportionate increases in the wall-floor diaphragm fixings and steel frames sizes, and likely require added bracing walls/frames above first floor to supplement the current light-weight Gib type wall bracing elements.

29.2 Strengthening with composite fibre overlay on the interior face is also a possibility to strengthen brickwork but I have no experience in using this system on solid brick bracing walls.

I agree this is an alternative option, but I also have no experience in using this on solid brick walls. I have used this on concrete buildings and found that there is a significant amount of preparation work required to the concrete substrate, and that it is often a more expensive method of strengthening a wall or floor element when compared with using equivalent steel plates. But fibre overlays do have the benefit of being thinner than steel plates and shotcrete skins.

The retention of the thicker heavy brick will result in a higher seismic weight at the lower level than currently allowed for in my strengthening methodology, but the increase is less than for the shotcrete skin system. Some proportionate increases in the wall-floor diaphragm fixings and steel frames sizes, and likely require added bracing walls/frames above first floor to supplement the current light-weight Gib type wall bracing elements.

Brett Andrew Gilmore

20 September 2023

Appendix 1



Structural Assessment Report

Quoin Structural Consultants	Client	Milne Construction Limited
Level 2, 138 Victoria Street Christchurch 8013 PO Box 25 438 Christchurch 8144	Address	67 Fendalton Road (9 Daresbury Lane), Fendalton, Christchurch
03 968 4925 quoin co nz		
quemeent	Date	17 May 2019
	Ref	12316







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17 May 2019



Quoin Structural Consultants

Level 2, 138 Victoria Street Christchurch 8013 PO Box 25 438 Christchurch 8144

03 968 4925 quoin.co.nz James Milne Milne Construction Limited PO Box 232 Christchurch 8140

By Email: james@milneconstruction.co.nz

Dear James

Property at 67 Fendalton Road (9 Daresbury Lane), Fendalton, Christchurch Outline Scope of Works for Structural Repairs

1. Introduction

As requested, Quoin Structural Consultants Limited (Quoin) have completed a structural assessment of the main residence at 67 Fendalton Road (9 Daresbury Lane), Fendalton, Christchurch.

The aim of this assessment is to review the earthquake damage to the residence, assess the earthquake strength of the building and provide an outline scope of works for the structural repairs to reinstate the building to its pre-earthquake condition. This should allow for a preliminary budget estimate to be completed by Milne Construction Limited or an experienced quantity surveyor.

2. Limitations of Report

Findings presented as part of this report are for the sole use of use of Milne Construction limited. The findings are not intended for use by other parties, and may not contain sufficient information for the purposes of other parties or other uses.

The structural assessment includes a walkover inspection of the residence and investigations to determine the construction of the main walls and some parts of the floors, ceilings and foundations. Structure that is hidden behind or beneath the remaining wall, ceiling and floor finishes and the ground level sub-floor have not been undertaken, and the assessment of the vertical alignment of the walls has not been assessed in any detail. A survey of the floor levels and a search of Christchurch City Council records has been undertaken.

Our professional services are performed using a degree of care and skill normally exercised, under similar circumstances, by reputable consultants practicing in this field at this time. No other warranty, expressed or implied, is made as to the professional advice presented in this report.



6
Quoin

3. General Background Information

3.1. Surveys, Reports, Investigations & Documentation

The following summarises the various surveys, reports, investigations and documentation used by Quoin as part of the structural assessment of this building.

- (a) Floor Plan Layout Drawings. Refer to Appendices.
- (b) East Elevation Drawing by Trengrove & Blunt, dated 1992. Refer to Appendices.
- (c) Studio 21 Endel Lust Drawings for Foundation Underpinning, dated 1 October 2003. Refer to Appendices.
- (d) Floor level survey completed by Quoin (previously Structex Metro Limited) on 1 November 2011. Refer to Appendices.
- (e) Structex Outline Scope of Works for Structural Repair, dated 24 August 2011.
- (f) Skytech Geotechnical Report, dated 11 October 2013.
- (g) Investigations of construction of main walls by Milne Construction and supervised by Quoin, dated July 2018. Refer to Appendices.

3.2. Standard of Structural Repairs

Quoin have been instructed that the standard of the structural repairs and works shall satisfy the requirements of the NZ Building Act 2004, and the NZ Building Code where required by the Act, and the Christchurch City Council for Building Consent. This includes:

- (a) Building work is regulated under the Building Act 2004 and required to meet the statutory performance standards. Section 17 requires all building work to comply with the Building Code to the extent required by this Act, whether or not consent is required in respect of that building work. "Building work" includes both a rebuild and a repair. It is the responsibility of the designer to ensure plans, specifications or advice is sufficient to result in building work complying with performance-based requirements of the Code.
- (b) Repair the damage such that the building will continue to comply with the NZ Building Code at least to the same extent as it did before the earthquake damage occurred (Section S112 of the NZ Building Act 2004).
- (c) After the repair, there should be no reduction in:
 - (i) Serviceability;
 - (ii) Seismic performance;
 - (iii) Size, capacity, durability and soundness.





- (d) Include work that involves demolition, damage/destruction, removal and subsequent repair and reinstatement of otherwise undamaged necessary to comply with any law which is necessary to enable reinstatement of the earthquake damaged portions.
- (e) Repair the damaged portions using currently equivalent building materials.
- (f) As a matter of common sense, a "portion" might include an area larger than the damaged area.

3.3. Building Form & Construction

The residence includes a mixture of 1, 2 and 3 storeys and comprises the following:

- (a) Category 1 Heritage Building.
- (b) Designed by Samuel Hurst Seager and built between 1897 and 1901 in the English Domestic Revival style.
- (c) Double and/or triple brick exterior load bearing walls 200mm to 360mm thick to the ground floor, with perimeter unreinforced concrete footings. The walls are typically strapped on the inside face with 75mm thick timber framing. Refer to the wall investigations summary.
- (d) The exterior walls above the first floor typically comprise of 20mm decorative pebble dash plaster over 100mm thick brick infill between exposed timber stud/transom framing, with lath and plaster or GIB interior finishes. Refer to the wall investigations summary.
- (e) Internal walls are typically timber framed and lined with a mixture of GIB board and lath and plaster. Refer to the wall investigations summary.
- (f) Timber framed ground, first, and second floors.
- (g) Tile roof over timber battens/purlins and rafters/trusses. The roof framing to the south-west Dining Hall is exposed and forms an architectural feature of this space.
- (h) Lath and plaster ceilings throughout both the ground, first and second floor spaces. Some of the rooms have decorative and ornate timber finishes to the ceilings.
- (i) Several large brick chimney stacks.
- (j) The exterior load bearing brick walls are supported on unreinforced concrete strip footings and the ground floor framing is supported on concrete intermediate piles (assumed).
- (k) The interior section of the ground floor to the Dining Hall was re-piled in 2003 with 125 x 125 timber piles cast into shallow strip footings.
- (1) The south wall to the Lounge was underpinned in 2003 with new concrete pads and new sub-floor bearers.





3.4. Geotechnical Report & Site Soil conditions

The Skytec Geotechnical Report dated 11 October 2013 includes assessment of the site and soil conditions as follows:

- (a) The property is a large section located in Fendalton with the Waimairi River running through the north-eastern part of the section and flowing in a north-west to south-east direction. The terrain is mainly level from the driveway to the rear apron and then slopes on a gentle gradient down to the riverbank. An internal trafficable bridge connects the two banks of the Waimairi River within the property.
- (b) Soil profile typically comprises of shallow topsoil over mixtures of sand, silt, clay and gravel to a depth of 2.15m to 4.7m below ground level.
- (c) Firm bearing of Ultimate Bearing Capacity (UBC) = 300 kPa available from 2.0m below ground level in 10 of 12 scala penetrometer tests (SPTs) and at a shallower depth of 1.1m below ground level in 2 of 12 SPTs.
- (d) Moderate bearing of UBC=200 kPa available at varying depths between 0.6m to 1.0m below ground level.
- (e) Water table measured at 1.9m below ground level.
- (f) Aerial photographs taken of the area following the 24 February 2011 aftershock indicate pockets of grey ejecta along the roads around the neighbourhood. However, within the property, the aerial photographs did not conclusively indicate grey ejecta on the property.
- (g) Based on the computed settlement due to liquefaction from CPT 1 to 3, the land on this property would be similar in performance to a TC1 property as per MBIE (2012). However, from the results of CPT 4, the performance would be classified as TC2 as per MBIE (2012).
- (h) For a new building, shallow foundations may be used for this property for low rise buildings up to three storeys high but would require specific design to mitigate settlement from liquefaction and lateral spreading risks. This could be in the form of a thick RC raft foundation as per MBIE (2012).

4. Earthquake Damage to Residence

A brief summary of the damage caused to the residence due to the Canterbury Earthquake Sequence (CES) is as follows. Refer to the Appendices and the existing floor plans for the wall and room locations, and to the referenced photographs.

(a) The exterior brick walls are extensively cracked to all sides of the house. This includes various vertical, horizontal and diagonal cracks in the mortar courses and many of the cracks pass through individual bricks.

The cracks are likely to extend through the full thickness of the double/triple brick in many locations. Refer to the photographs as follows:

- (i) Photographs 27-31 of west wall to Chiller, Laundry, Tech/Data.
- (ii) Photographs 36-58 of south and west walls to Dining Hall.





- (iii) Photographs 69-81 of south, west and north walls to Lounge.
- (iv) Photographs 82-85 and 89-94 of north and east walls to Family.
- (v) Photographs 96-98 of north and south wing walls to east entry.
- (vi) Photographs 99-105 of east wall to Kitchen.
- (vii) Photographs 106-108 of east wall to Office 1.
- (b) Further to (a) above, various sections of the exterior brick walls have laterally displaced approximately 10-20mm in the plane of the wall and some sections 10-20mm out of plane.

These failed walls are considered to be in a dangerous condition that could result in partial collapse of sections of the building under a moderate to large earthquake. These walls include:

- (i) West wall to Dining Hall.
- (ii) West wall and west ends of the south and north walls to the Lounge.
- (iii) North wall at north-west corner of Family.

Refer to photographs 40, 42-44, 47-51 to the Dining Hall, and photographs 69-81 to the Lounge, and photographs 82-85 to the Family.

- (c) The foundations have differentially settled in some areas of the residence. Refer to the Appendices for the floor level survey summary. These differential slopes in the ground floor/foundations include:
 - (i) Lounge:
 - 48mm fall (1.0%) from middle of floor to south-west corner.
 - 24mm-32mm (0.7% 0.8%) fall from middle of floor to the east wall to the Family Room that includes the heavy chimney stack (CH2).
 - 28mm fall (0.8%) over south end of west exterior wall.
 - (ii) Family:
 - 32mm-36mm (0.7% 0.9%) falls from the middle of the room to the west interior wall to the Lounge and to the exterior north and east walls.
 - 26mm (0.7%) fall across the north bay window.
 - 26mm (0.9%) fall from north bay window towards west.
 - (iii) Office/Kitchen
 - Approximately 15mm-20mm settlement of Chimney (CH4) foundation between the Office and Kitchen, but floor slopes remain acceptable at 0.5% or less.





- (iv) Library
 - 14mm-22mm (0.6%) falls from middle of room towards west exterior wall.
- (d) The first floor to the main north 3-storey section of the residence is out of level over its relative area as indicated on the level plans. This has likely occurred as a result of a combination of creep deflection in the floor framing and the differential ground settlements noted in (c) above.
- (e) All of the brick chimneys partially collapsed and were removed down to roof level following the main earthquake. Refer to sketch SKE1 and photographs 7, 17-23, 35, 39, 59-63 and 110-111.
- (f) There are a large number of cracks in the walls and ceilings to the interior of the residence at all of the floor levels. Most of the cracks have penetrated the GIB board and lath and plaster, where visible, especially at the first floor level.

Severe damage to the finishes, that includes failure of the sheet material was observed in the following rooms:

- (i) Lounge south and west walls (photographs 118-121).
- (ii) Office 1 south end ceiling and wall, and west wall (photographs 127 and 129).
- (iii) Middle stairwell north wall (photograph 133).
- (iv) Bed 5 east wall above door (photograph 135).
- (v) Bed 5 west wall above door (photographs 138 and 139).
- (vi) Bed 6 west and east walls (photographs 141-144).
- (vii) Bed 3 west wall above door (photograph 148).
- (viii) Bed 2 east wall at north end (photograph 155).
- (ix) Bed 1 all walls and ceiling (photographs 156-170).
- (x) Main stairwell walls (photographs 171-174).
- (xi) Bed 8 east wall (photograph 175),
- (xii) Dining Hall walls (photographs 193-197).
- (xiii) Hall 2 over internal arched doorway (photograph 203).

The full extent of cracks to the interior face of the brick walls has not been assessed due to the walls being hidden behind non-structural finishes.

(g) The exterior cladding above the first-floor level that comprises of pebble dash decorative plaster over brick infill has suffered some significant and widespread damage. This includes:





- (i) Significant cracking of the plaster and movement gaps between the plaster/bricks and the timber studs/transoms, to the west exterior wall of Bed 7, Bed 8, and the adjacent stairs, plus the north-west corner of Bed 8, and to parts of the west walls to the Dining Hall. Refer to photographs 39, 40, 64-68, 74-76.
- (ii) Cracking and/or tearing of the plaster, and smaller movement gaps than the walls noted in (i) above, to the remainder of the wall elevations of the Residence.

The damage noted above has compromised the weather-tightness of the cladding system, plus the brick infill has loosened between the timber stud/ transom framing.

- (h) Damage to roof tiles due to the collapse (full or partial) of the chimneys).
- (i) Slippage movement of the roof tiles. Subject to a more detailed assessment, damage was observed to the roofs to the Dining Hall, Bed 6/7, east entry, Bed 7 east end, and Bed 5/Ens 5.
- (j) Other damage to elements and finishes include, but not limited to:
 - (i) Bent and cracked lead framed window to Family (photograph 113).
 - (ii) Cracks and movement gaps to internal fireplace surrounds (photographs 115-117, 119 and 137).
 - (iii) Ceiling damage due to post-earthquake water damage and broken windows to middle stairwell (photograph 132).
 - (iv) Movement gaps to fixed joinery (photographs 152-153 and 79).
 - (v) Ceiling damage due to swinging light in Bed 7 (photograph 187).

5. Assessment of Earthquake Strength of the Building

Quoin have completed a preliminary assessment of the undamaged strength of the main lateral resisting walls to provide an estimate of the pre-earthquake strength of the building.

The main purpose of this assessment is to assess whether the building, in its undamaged pre-earthquake condition is earthquake prone or not and determine the weaker sections of the building for which strengthening will likely be required as part of the repairs. It is noted that the failed brick walls will need to be replaced as part of any repair, so this assessment focuses on assessing the strength of the less damaged walls.

It is noted that the earthquake prone limits of 33% x NBS (New Building Standard) that are commonly used for commercial and public buildings do not normally apply to a single residential building. However, given the very large scale and size of the building, and that the building comprises of extensive unreinforced brick walls that have suffered significant damage, then the approach of assessing % x NBS is considered appropriate for this building.





It is also noted that for any repairs, then a Building Consent would be required, and we understand that the Christchurch City Council would likely require strengthening to a minimum target level of 67% x NBS for this type and size of building and for the large extent of repairs required.

The assessment is based on the NZ Society of Earthquake Engineering Guidelines (NZSEE, June 2006) for the "Assessment and Improvement of the Structural Performance of Buildings in Earthquakes" together with the Detailed Engineering Evaluation Procedure (DEEP, July 2011) document (draft). The assessment uses AS/NZS 1170.5 to determine the applied loadings to the building and the NZSEE, June 2006 and February 2011, guidelines to assess the building capacity.

The strength of the connections between the diaphragms and the resisting elements have not been assessed at this preliminary stage.

A brief summary assessment of the existing building (in terms of % x New Building Standard (NBS)) is:

- (a) Ground floor north-south brick walls in-plane strength: 39% x NBS average
- (b) Ground floor east-west brick walls in-plane strength: 29% x NBS average
- (c) First floor north-south timber framed sheet braced walls: 23% x NBS average
- (d) First floor east-west timber framed sheet braced walls: 30% x NBS average
- (e) Second floor east-west timber framed sheet braced walls at north end of Entertainment: 13% x NBS
- (f) Second floor north-south timber framed sheet braced walls: 36% x NBS average
- (g) Second floor east-west timber framed sheet braced walls: 37% x NBS average
- (h) South chimney to Dining Hall: 20% x NBS out-of-plane in north-south direction

The preliminary assessment confirms that the building would be considered to be earthquake prone with an assessed undamaged strength of $13\% \times NBS$, not taking into account that some of the walls have failed and would have a lower $\% \times NBS$.

6. Assessment & Recommendations for Structural Repairs

The following is a summary of Quoin's assessment of the earthquake damage summarised in section 4 and recommendations for the structural repairs required to reinstate the residence back to its pre-earthquake condition, and satisfy a minimum strength of 67% x NBS. This scope is preliminary. Refer to sketches SKR1 – SKR10 inclusive.

Quoin's assessment of the repairs required for the earthquake damage as summarised in Section 4 recommendations for repair are as follows.

(a) Exterior Brick Loadbearing Walls

The exterior loadbearing walls to all sides of the residence have suffered extensive and widespread damage.





The brick walls to the west side and north-west/south-west corners of the ground floor Lounge beneath the 3-storey section of the residence have failed, and this corner of the residence is in danger of collapse. Other areas of the residence that have failed and/or severely damaged walls include the west wall to the Chiller/Laundry/Tech-Data, south and west walls of the Dining, part of the north wall to the Family, and north/south wing walls to the Main Entry. There is no option but to remove and replace these failed walls.

Elsewhere, the damage to the brick walls includes extensive cracking and gaps in the brickwork. It is likely that the cracks have extended through the thickness of the brick walls in most areas.

Quoin have assessed the walls in their undamaged condition to have an earthquake strength of less than $33\% \times NBS$ in most areas and, as such, the building would be considered to be earthquake prone if it were a commercial building.

It is Quoin's opinion that any repair strategy requires the exterior wythe of bricks to be removed and replaced. If this were undertaken, and if the inner wythe could be repaired, the walls would still have a strength of less than 33% x NBS.

Quoin recommends that the damaged ground level exterior brick walls be removed, and replaced with timber framed walls with an exterior brick veneer to reinstate the architectural aesthetic. The extent of these walls includes all of the brick walls to the two and three storey sections of the residence and to the large height Dining Hall as indicated on sketches SKR1, SKR3 and SKR4.

This repair strategy has the benefit of reducing the overall seismic mass of the building and allows the building's earthquake strength to be increased above 33% x NBS with the use of lighter weight GIB sheet bracing walls, supplemented by steel frames where required.

There are some exterior brick walls that do not appear to be significantly damaged. These include the single storey lower height walls to Office 2 at the south-west corner and the Library and Hall 3 to the west side (middle). Quoin recommends that the exterior wythe to these walls be retained and repaired with Helifix bars and dryfix ties Quoin recommends to allow to install 20 x 1000mm long stainless steel Helibars and 200 ties 245mm long. Refer to sketch SKR4 for the extent of these walls. Following repair, these particular walls will have a strength of 67% x NBS or more.

(b) All of the brick chimneys have collapsed and been removed to roof level.

The chimney stacks include the following, at locations shown on sketches SKE1, SKE2 and SKE3.

- (i) 2+ storey high stack (CH1) to south walls of the Lounge, Bed 1, Bed 8. The remaining section of thick stack hidden behind finishes.
- (ii) 3+ storey high stack (CH2) between the Family/Lounge, Bed 2/Bath, and Bed 8/Entertainment rooms. This stack is internal and hidden behind finishes.





- (iii) 2+ storey high stack (CH3) between the Kitchen/Office 1 and Bed 4/ Ens 5. This stack is internal and hidden behind finishes.
- (iv) 1+ storey high stack (CH4) to south wall of Office 1. This stack removed down to eaves level.
- (v) 3+ storey high stack (CH5) above the Tech Data Room and between Bed 6/Stairs and to the south-west corner of Bed 7.
- (vi) 2+ storey high stack (CH6) between the Dining Hall/Library that forms part of the high gable wall. This stack is extensively damaged above the flat roof of the Library.
- (vii) 2+ storey high stack (CH7) to the south wall of the Dining Hall and that forms part of the high gable end wall. This stack removed down to eaves level and the remaining lower section has cracking damage.

Quoin recommends that all of the chimney stacks be removed down to ground level and reconstructed as lighter weight structures.

This will have the benefit of reducing the seismic mass of the building and allows the building's earthquake strength to be increased, as noted in (a) above.

Given the historic category of the building and that the brick chimney stacks form an important part of the architectural aesthetic, Quoin recommends to reinstate all of the sections of the chimneys that are exposed with brick veneer.

Quoin recommends to laterally support the tall chimney stacks with internal steel trussed frames that are commonly used for such tall chimney construction. It may be possible, subject to review by an experienced contractor, to re-use parts of the existing chimney stacks that collapsed and/or have been removed and stored on site. If the chimney(s) is not to remain in a working condition, then the middle of the re-used section would be filled with a steel pipe grouted inside of the bricks and fixed onto the top of the new steel support frame. Refer to sketches SKR7 and SKR8 for indicative details.

- (c) Foundations
 - (i) Exterior Foundations for New Wall Construction

Quoin recommends to remove and replace the existing unreinforced foundations beneath the exterior ground floor walls that are to be reconstructed. Refer to sketches SKR1 and SKR2 that highlights these foundations as 'blue' and 'green' strip footings and SKR9 for typical details.

It is important that the new timber framed walls, that include exterior brick veneer (or brickslip cladding) and new sheet bracing are fixed well into reinforced foundations that can support the imposed gravity and wall bracing loads.



It is Quoin's opinion that the existing unreinforced foundations are not suitable for reuse for the new wall construction.

(ii) Chimney Bases

Quoin recommends that the existing unreinforced chimney pads be removed and replaced with reinforced foundation pads that are sized to support the new steel trussed frames for the reconstructed chimneys. The steel frames form part of the lateral resisting systems for the building, together with the sheet braced walls and steel portal frames, and require enlarged pads at some locations. Refer to sketch SKR2 that highlights the new foundation pads in 'blue'.

(d) Exterior Plaster Clad Walls Above First Floor Level & to Dining Hall

It is Quoin's opinion that the plaster and brick infill to the significantly damaged areas noted in Section 4(g)(i) needs to be entirely removed and replaced with a compliant weather tight cladding system, and that repairs the wall bracing strength to a minimum of 67% x NBS.

For the remaining areas that are damaged, but to a lesser extent, Quoin recommends the same removal and reinstatement repair strategy so that the seismic mass of the building is reduced to a level where the building can be earthquake strengthened to a minimum of $67\% \times NBS$.

This strategy will also allow for the ground level brick walls to be more easily removed and replaced with a lesser amount of temporary propping required.

The repairs will likely involve the installation of a new compliant cladding system, with cavity, and detailed/finished with timber and decorative plaster to match the existing exterior aesthetic. To support the new cladding and internal additional wall finishes and sheet bracing, Quoin recommends to allow to install additional timber studs and dwang framing to provide a compliant wall construction.

(e) Interior Wall Finishes

As summarised in section 4 (f), the extent of the damage to the interior wall and ceiling finishes throughout the residence is extensive.

All of the failed lath and plaster and gib finishes need to be replaced as part of any repair.

Given the large extent of finishes and heavy brick walls and chimneys to be replaced, Quoin assessed whether the building could be repaired and strengthened with lighter weight sheet wall bracing elements, together with the reconstructed chimneys with steel trussed frames. This type of strengthening, that utilises the reduction in the seismic mass of the building, works well with the type and extent of new walls, steel frames, and roof/floor





bracing that might otherwise be required if the heavy brick walls, chimneys, and wall infills were to be reconstructed and/or retained where possible within the building.

Quoin assessed that the building can be strengthened to a minimum of 67% x NBS as follows:

- (i) Remove all heavy brick walls, chimneys, and infills, and reinstate with lighter weight construction as noted in 6 (a), (b) and (d) above.
- (ii) Remove all interior lath and plaster and Gib wall finishes, and reinstate with new Gib Braceline, including standard hold down straps and bolts.
- (iii) Include supplementary steel frames as noted in 6 (f).
- (f) Earthquake Strengthening & Steel Frames

Further to the new sheet braced walls and steel trussed chimney frames, Quoin have assessed that supplementary steel frames are required for the building to achieve an assessed earthquake strength of 67% x NBS or more. These supplementary frames include the following as indicated on sketches SKR3 – SKR5 and that require new foundations as highlighted 'blue', 'pink' or 'orange hatched' on SKR2 and that comprise of strip footings to ensure adequate strength and stiffness.

- (i) Portal frame PF1 to Lounge with new north-south foundations across the width of the Lounge.
- (ii) Portal frame PF2 to north wall of Lounge, supported on new exterior foundation.
- (iii) Portal frame PF3 to east exterior wall of Family, supported on new exterior foundation.
- (iv) Portal frame PF4 to east exterior wall of kitchen, supported on new exterior foundation.
- (v) Portal frame PF5 to north wall of Bed 1, supported on first floor exterior wall.
- (vi) Cantilever steel columns to the east and west exterior side walls of the Dining Hall with new transverse east-west 'finger' beams to provide a rigid base to the columns.

Quoin have proposed the installation of these steel columns, together with proposed roof bracing, to provide a structural solution that takes into account the architectural features of the timber framed roof by minimising the extent of visible steelwork. The sketches indicate the steel columns to be built into the walls and the roof bracing to be installed on top of the timber roof sarking, so that the main steel elements are not visible in the repaired building. This assumes that the roof tiles will be replaced as part of the repairs.





- (vii) New tie beam foundations are recommended to be installed to the north side entry canopy posts and the west side first floor balcony posts to mitigate against possible lateral spreading of the foundations as noted in the geotechnical report.
- (g) Interior Ceiling Finishes

The extent of the works to repair and replace the wall linings and the chimney stacks and install the steel frames will affect the ceiling linings adjacent to the walls, chimneys and frames.

The replacement of the exterior brick walls will require propping to be installed beneath the first floor adjacent to and set back approximately 0.5 - 1.0 m from the exterior walls. This will require the removal of the ceilings in these areas so that the floor framing can be inspected and suitable propping installed.

The ceilings to the single storey sections and to the roofs of the 2/3 storey sections typically act as diaphragms within the main building structure and will need to be replaced as part of the strengthening works.

Taking into account the above, together with the repairs required to the damaged ceilings, Quoin recommends that allow to remove all of the ceiling finishes throughout the residence, and replace with new 13mm Gib, fixed in accordance with NZS 3604 and the Gib installation guidelines. This does not include the timber feature ceiling to the Dining.

(h) Ground Floor & Foundation Relevelling

Quoin recommends that the areas of the floors and foundations summarised in 4(c)(i) - (iv) be relevelled to within the 0.5% slope criteria recommended in the MBIE Guidelines. This includes:

(i) Lounge, Family & Library

The central area of the floor to be lowered by 10mm-20mm. Quoin recommends to replace the interior piles, as is standard practice, rather than notching existing bearers.

The sections around the perimeter will be relevelled as part of the foundation replacement repairs, where recommended for the Lounge and Family Rooms.

(ii) Office/Kitchen

The foundation between the Office and Kitchen will be relevelled as part of the foundation replacement repairs.





(i) First Floor Relevelling

There are large areas of the first floor that have floor slopes that exceed the MBIE Guidelines.

It is likely that the dislevelment is caused by a combination of creep deflection in the floor framing and some differential settlements of the main foundations.

Quoin recommends that the floor levelness be reviewed following completion of the foundation repair and the relevelling.

Typical details are indicated on Sketch SKR10 for localised relevelling of the first floor.

(j) Non-Structural Elements and Fixtures

The scope and extent of the non-structural repairs is to be reviewed and assessed by a licensed building practitioner such as Milne Construction Ltd. They may include, but may not be limited to the following:

- (i) Cracks, lateral displacement, and/or bows in windows and doors.
- (ii) Displacement of decorative timber joinery and reveals to internal doors.
- (iii) Damage to floor finishes.
- (iv) Damage to joinery and fixtures.
- (v) Damage to fireplace surrounds.
- (vi) Damage to spouting and downpipes.
- (vii) Damage to plumbing and services.
- (viii) Consequential effects of undertaking the main structural repairs and strengthening, such as removal of bathroom and kitchen finishes and fixtures, and temporary propping/bracing of the building structure during the repairs.

7. Conclusion

The residence has suffered significant and widespread earthquake damage.

Some sections of the building have loadbearing brick walls that have failed and are at risk of partial collapse due to future moderate/large earthquakes.

The building has been assessed as being earthquake prone with an earthquake strength of 13% x NBS for some of the less damaged walls, and less than the earthquake prone limit of 33% x NBS for commercial, public, and multi-unit residential buildings.





Quoin recommends that the repairs to the building include strengthening to a minimum of $67\% \times NBS$.

The report summarises the earthquake damage and recommendations for the structural repairs and strengthening.

If you have any queries, regarding this Outline Scope, or require any further assistance, please do not hesitate to contact the undersigned.

Yours sincerely Quoin Structural Consultants Limited

Ba Gilmore

Brett Gilmore CPEng #139988 Director & Senior Structural Engineer B.Eng (Hons)(Civil); CMEngNZ; Int PE





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19.	Collapsed chimney stack	
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21	. Collapsed chimney stack flue	<image/>
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Large 10mm movement of west brick wall to Dining Hall, adjacent 52. to door Large 10mm movement of west brick wall to Dining Hall, adjacent 53. to door





Large 15 – 25mm movement of west brick wall at window to 54. Dining Hall Large 15 – 25mm movement of west brick wall at window to 55. Dining Hall





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		A PARALES
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ACENZ Integrity in Design



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Project	67 Fenalton Rd		
Reference	12316		
Date	July 2018	Author BAG	

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GROUND FLOOR WALL AND FOUNDATION

- x cutout or hole in wall
- · excavate at foundation





67 Fendalton Road - Residence Wall Investigations (July 2018)

	Ground Floor Wall/Floor Investigations				
1	Brick 350mm thick and 75 timber strapped				
2	Brick 350mm thick and 75 timber strapped				
3	Brick 360mm thick (20mm plaster on face) 2 x 10mm Gib, 20mm batten & panelling				
4	Brick 305mm thick and 50mm timber strap, poly, 10mm Gib				
5	Note: Bathroom tiled unable to view				
6	Brick 350mm thick and 75 timber strap, lath & plaster				
7	Joists 300x50, 470 centres				
8	Internal wall 75mm stud, lath & plaster one side and TG&V on other				
9	Brick 360mm thick and 75mm timber on lath & plaster				
10	Brick 230mm thick				
11	Internal wall 100mm framing, lath & plaster both sides				
12	Brick 120mm thick, decorative exterior plaster 10-20mm thick				
13	Brick 200mm thick, decorative brick pattern				
14	Brick 350mm thick				
15	Brick 470mm thick				

Holes and cutouts formed by Milne Construction Ltd and supervised by Quoin



67 Fendalton Road - Residence Wall Investigations (July 2018)

	First Floor Wall/Floor/Ceiling Investigations
1	Brick 120mm thick including decorative plaster 20mm batten, lath & plaster and Gib
	Brick 130mm thick including plaster in between timber 100x100mm and Strapped
2	75mm timber, lath & plaster and Gib
3	Brick 120mm thick and 20mm batten lath & plaster
4	100mm studs, lath & plaster and Gib both sides
5	100mm studs, lath & plaster and Gib both sides
6	100mm studs, lath & plaster and Gib both sides
_	
/	Brick 130mm thick including exterior plaster
8	Brick 120mm thick and 20mm battens, lath & plaster
9	Rafters 150x45, 400 centres
10	Ceiling runners 150x45 - strong back 2/300x50
11	300x50 ceiling runners, 150x50 rafters
12	300x50 ceiling runners
13	Floor hole 300x100, joist cantilevered to support overhang of first and second storey

Holes and cutouts formed by Milne Construction Ltd and supervised by Quoin



67 Fendalton Road - Residence Wall Investigations (July 2018)

	Second Floor Wall/Floor Investigations
1	Void and brick 120mm Thick
2	Brick 120mm thick including plaster - big void, 100mm framing, lath & plaster
3	100mm timber wall on TG&V 20mm batten, lath & plaster, rafters 150x50
4	Brick 120mm thick, 100mm posts, TG&V, lath & plaster
5	100x50 timber wall into roof space on Gib
6	2/300x45 timber joists 450 centres
	300x45 timber joist on 100x100 studs with 150x50 top plate supporting joists for
7	cantilevered overhang
	Brick 130mm thick on decorative plaster on 20mm batten with TG&V 50mm strap, poly
8	and Gib
9	100x50 Timber Wall on Lath & Plaster
10	115 Timber Wall, Lath & Plaster and 13mm Gib, TG&V on Bathroom Side

Holes and cutouts formed by Milne Construction Ltd and supervised by Quoin

Preliminary 16.05.2019

Drawing List (A3 originals)

STRUCTURAL

ACENZ

existing drawings	SKE1 SKE2 SKE3 SKE4 SKE5 SKE6 SKE7	existing ground floor plan existing first floor plan existing second floor plan and roof deck east elevation (Trengrove & Blunt Architects) underpinning and foundations (Studio 21-Endel Lust) underpinning and foundations (Studio 21-Endel Lust) typical existing exterior wall foundation
floor level plans	SKL1 SKL2 SKL3	existing ground floor level plan existing first floor level plan existing second floor level plan
repairs drawings	SKR1 SKR2 SKR3 SKR4 SKR5 SKR6 SKR7 SKR8 SKR9 SKR9 SKR10	foundation types / new walls and steel frames foundation plan repairs ground floor plan repairs - wall, roof, and chimney repairs and new steel frames ground floor plan repairs - wall, roof, and chimney repairs and new steel frames first floor plan repairs second floor plan repairs and roof deck plan typical chimney details typical chimney base support details typical foundation details floor packing details

Quoin

Quoin Structural Consultants

Level 2, 138 Victoria Street Christchurch 8013 PO Box 25 438 Christchurch 8144

03 968 4925 quoin.co.nz

J Milne

for

RESIDENCE AT 67 FENDALTON ROAD (9 DARESBURY LANE)

STRUCTURAL REPAIRS TO



existing ground floor plan

Preliminary

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STRUCTURAL REPAIRS TO RESIDENCE AT 67 FENDALTON ROAD (9 DARESBURY LANE) for J Milne





note: existing PDF drawings has been used, take care of scaling

PRELIMINARY

12316 SKE1

-**O**•



existing first floor plan



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STRUCTURAL REPAIRS TO RESIDENCE AT 67 FENDALTON ROAD (9 DARESBURY LANE) for J Milne

key:

CH - chimney stack

PRELIMINARY

12316 SKE2









existing second floor plan

existing roof deck plan

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PRELIMINARY

drawing title existing second floor and roof deck plans

12316 SKE3





underpinning and foundations (NTS)

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STRUCTURAL REPAIRS TO RESIDENCE AT 67 FENDALTON ROAD (9 DARESBURY LANE) for J Milne

VERIFY ALL DIMENSIONS ON SITE BEFORE WORK IS COMMENCED NOTES All work to be in accordance with Local Territorial Anthonity By Laws & New Zasland Building Code as applicable Excavate for pode down to sandy-clay substrate at approx 400-500 mm depth. Reinforcing steel to be mild Garada 300 E) deformed steel lears to N25/A5 4071. Concrete Strength : 17.5 MPa Where not specified attervise timber construction and connections to be in accordance with 125 36062: "Timber Frame Buildings'. 25 Gelv belts, woshers or brackets that wall lose in contract with tracted himber to receive and good cost of Epiglass Rudgesst or cimilar eforg prime paint before installation. Excepte down to firm angual sandy-day for continuous forking All sule-Glow structural hink to be H& Wealed. Floor joists should be 113 Heated. Where not shown connections to be in accordance with 125 3606 'Ember Frame Brild Epony to be mixed and applied Querers specifications. No concrete to be placed with Engineer has repacted and approved bearing substrates rainforming as applicatele Flow generally designed 3.0 Kila Live Load. 14. Ponbled up josts & double blocking to accommodate full size bibliards table. If position of bibliards table is to change than sub-flow structure will require some modification . PRELIMINARY SCALES DATE 1:100,10 1 /10/ 200 DRAWN: 5.4.

underpinning and foundations

12316 SKE5

Α



typical existing exterior wall foundation

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scales at A3

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STRUCTURAL REPAIRS TO RESIDENCE AT 67 FENDALTON ROAD (9 DARESBURY LANE) for J Milne

PRELIMINARY

rawing titl typical existing exterior wall foundation

12316 SKE6





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STRUCTURAL REPAIRS TO RESIDENCE AT 67 FENDALTON ROAD (9 DARESBURY LANE) for J Milne

existing ground floor leveling plan

12316 SKL1



existing first floor level plan

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STRUCTURAL REPAIRS TO RESIDENCE AT 67 FENDALTON ROAD (9 DARESBURY LANE) for J Milne

note: existing PDF drawings has been used, take care of scaling

existing ground floor leveling plan

12316 SKL2

Α



existing second floor level plan



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STRUCTURAL REPAIRS TO RESIDENCE AT 67 FENDALTON ROAD (9 DARESBURY LANE) for J Milne

note: existing PDF drawings has been used, take care of scaling

existing ground floor leveling plan

12316 SKL3

note: existing PDF drawings has been used, take care of scaling

foundation types

new walls and steel frames (refer SKR3 - SKR6)



- 13. I rew portal frame (P.F.1 3): 250UC89 column and beam
- 14. mew portal frame (P.F.4 5): 300PFC column and beam

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STRUCTURAL REPAIRS TO RESIDENCE AT 67 FENDALTON ROAD (9 DARESBURY LANE) for J Milne

- remove the thick brick walls, reinstate the walls as exterior brick veneer laterally support by inner

- remove brick infill, add timber framing as required, reinstate lining and fixing, re-plaster to match existing.

existing brick chimney to be removed, including foundations. reinstate chimney including brick veneer

existing timber frame walls, lining to be removed and replaced with new lining and fixing. add supplementary

new steel truss frame (S.T.F.1 - 7): truss frame both directions, refer SKR7 and SKR8 for further details



12316 SKR1



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notes:





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STRUCTURAL REPAIRS TO RESIDENCE AT 67 FENDALTON ROAD (9 DARESBURY LANE) for J Milne

first floor plan repairs

12316 SKR5

Α



second floor plan repairs

roof deck plan

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STRUCTURAL REPAIRS TO RESIDENCE AT 67 FENDALTON ROAD (9 DARESBURY LANE) for J Milne

PRELIMINARY

lrawing title second floor plan repairs and roof deck plan

12316 SKR6








STRUCTURAL REPAIRS TO RESIDENCE AT 67 FENDALTON ROAD (9 DARESBURY LANE) for J Milne

PRELIMINARY

typical chimney base support details

А



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typical foundation details



STRUCTURAL REPAIRS TO RESIDENCE AT 67 FENDALTON ROAD (9 DARESBURY LANE) for J Milne

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12316 SKR9



pack first floor up < 200mm

notes:

packing provided as solid thickness or in layers to suit new flooring 1.

nis drawing is to e printed in colou

TVW

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KA

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approx

1:5

2. all new flooring and solid packers to be fixed per flooring requirements in NZS3604, nails/screws to have minimum 40mm embedment into existing floor joists or new blocking, space at 150mm crs to sheet edges and 300mm crs to intermediate supports, or equivalent

pack first floor up ≥ 200mm

notes:

1. refer to SKF1 for notes

floor packing details

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Preliminary



rawing titl

А

floor packing details

12316 SKR10

and:	Daresbury Limited
in the matter of:	proposed Plan Change 14 to the Christchurch District Plan
under:	the Resource Management Act 1991

(Submitter 874)

Statement of evidence of Stewart Harrison for Daresbury Limited (Quantity Surveying)

Dated: 20 September 2023

Reference: Jo Appleyard (jo.appleyard@chapmantripp.com) Annabel Hawkins (annabel.hawkins@chapmantripp.com)

chapmantripp.com T +64 3 353 4130 F +64 4 472 7111 PO Box 2510 Christchurch 8140 New Zealand Auckland Wellington Christchurch



STATEMENT OF EVIDENCE OF STEWART HARRISON FOR DARESBURY LIMITED

INTRODUCTION

- 1 My full name is Stewart Menzies Harrison.
- 2 I am the director and shareholder of SMH Ltd trading as Stewart Harrison Quantity Surveyors + Project Managers (*SHQS*). Previously I was the managing director and shareholder of Stewart Harrison Ltd (*Harrisons*), and a director and shareholder of Ian Harrison & Associates Ltd (*IH&A*).
- 3 I obtained a New Zealand Certificate of Quantity Surveying in 1992. I am a Registered Quantity Surveyor; a Fellow of the New Zealand Institute of Quantity Surveyors; and a Member of the New Zealand Institute of Building.
- 4 I have over 30 years' experience in the quantity surveying profession.
- 5 My areas of expertise and activities carried out at SHQS include the pricing of repair and rebuild scopes for all types of property damaged as a result of the Canterbury earthquakes of 2010 and 2011.
- 6 Following the Canterbury earthquakes SHQS, Harrisons, and IH&A, have been involved with the preparation of some 5,000 repair and replacement estimates for residential and commercial properties.
- 7 Personally, I have been involved with over 2,000 repair and replacement estimates. This typically involves reviewing geotechnical and structural reports; visiting, inspecting, and photographing the dwellings/structures; preparing estimates (generally in accordance with the relevant New Zealand Standard, NZS4202 and ANZSMM); liaising with the concerned parties; attending settlement meetings; negotiation with/for interested parties; and preparation for/appearing as an expert witness.
- 8 I have previously given evidence in the District Court and High Court as an expert on repair and rebuild costings in relation to residential and non-residential buildings damaged by the Canterbury Earthquake Sequence.
- 9 I attach a copy of my CV outlining my professional qualifications and experience (**Appendix 1**).
- 10 I was first involved with the subject property in February 2019. At that time Milne Construction engaged Harrisons to peer review its repair quotation dated 18 February 2019 and provide any recommendations as to the rates used and the pricing contained within it.

SCOPE OF EVIDENCE

- 11 My evidence will address the comments made by Mr Gavin Stanley in his Statement of Primary Evidence for Christchurch City Council relating to Daresbury Limited's submission.
- 12 In preparing this evidence I have:
 - 12.1 Reviewed the submission by Daresbury Limited;
 - 12.2 Reviewed the Structural Assessment Report dated 17 May 2019 prepared by Quoin Structural Consultants;
 - 12.3 Reviewed the Statement of Primary Evidence prepared by Mr Gavin Stanley including the various appendices;
 - 12.4 Reviewed the Milne Construction estimate dated 18 February 2019, and the comments made by Harrisons regarding that estimate;
 - 12.5 Reviewed the Milne Construction estimate dated 3 July 2019 (relied on by Mr Stanley) to check if the recommendations made by my firm were incorporated;
 - 12.6 Reviewed the existing ground floor, first floor and second floor plans titled "Condition Report Room Numberings" to determine the gross floor area (*GFA*) (**Appendix 4**);
 - 12.7 Had Mr Milne measure several exterior wall lengths and internal door widths to confirm the accuracy of the plans I used to measure and confirm the GFA; and
 - 12.8 Re-visited the property to re-familiarise myself with it.

CODE OF CONDUCT

13 While this is not an Environment Court hearing, I note that in preparing my evidence I have reviewed the Code of Conduct for Expert Witnesses contained in Part 9 of the Environment Court Practice Note 2023. I have complied with it in preparing my evidence. I confirm that the issues addressed in this statement of evidence are within my area of expertise, except where I state that I am relying on the opinion or evidence of other witnesses. I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed.

SUMMARY OF EVIDENCE

- 14 A summary of my evidence includes:
 - 14.1 My comments on Appendices A, B, C, D, E and F that form part of the Repair Quotation Review at Appendix B of Mr Stanley's Statement of Primary Evidence.
 - (a) For clarity I have followed the appendix numbering on each appendix as the appendix referencing in Mr Stanley's Statement of Primary Evidence is incorrect.
 - 14.2 My amendments to Mr Milne's 3 July 2019 costings including a summary of my workings (**Appendix 2**).

MR STANLEY'S REPAIR QUOTATION REVIEW – APPENDIX A

- 15 Appendix A refers to the floor plans prepared by DPA Architects.
- 16 The floor plans refer to a scale of 1:50 on sheet size A1, and 50% reduced if the sheet size is A3.
- 17 Mr Stanley encapsulates the GFA he has measured using a thicker line. He has done this on all three plans.
- 18 Mr Stanley concludes the GFA per floor as:

18.1	Ground floor	800m2
18.2	First floor	599m2
18.3	Second floor	244m2
18.4	Total GFA	1643m2

- 19 Within Appendix B, under the heading "Building Description", Mr Stanley states he has measured the GFA *in accordance with NZIQS guidelines*.
- 20 For the avoidance of any doubt, NZIQS defines GFA in its publication "Elemental Analysis of Costs of Building Projects" as:
 - 20.1 **Gross Floor Area** The area used for the calculation of element costs is the gross floor area, measured over all the exterior walls of the building, over partitions, columns, interior structural or party walls, stair wells, lift wells, ducts, enclosed roof top structures and basement service areas. All exposed areas such as balconies, terraces, open floor areas and the like are excluded. Generally, projections beyond the outer face of the exterior walls of a building such as

projecting columns, floor slabs, beams, sunshades and the like shall be excluded from the calculation of gross floor areas. Where the outer face of the exterior walls of a building are not regular vertical surfaces, the overall measurements shall be taken at floor levels and note made of the vertical profile of the wall line. Where mezzanine floors occur within a structure the gross floor area of this mezzanine shall be added to all other complete floor areas and become a constituent part of the gross floor area.

- 21 I consider Mr Stanley has incorrectly included in his GFA external areas that are outside the building envelope; exposed areas such as balconies & terraces; and projecting columns.
- 22 I have measured the plans Mr Stanley used and found the scale on this to be incorrect.
- 23 As I stated earlier, I used the "Condition Report Room Numbering" plans, and had Mr Milne confirm using a tape measure several dimensions for me to confirm these plans were accurate.
- 24 My GFA per floor is:

24.1	Ground floor	554m2
24.2	First floor	341m2
24.3	Second floor	194m2
24.4	Total GFA	1089m2

- 25 The difference between the two GFA's is 554m2.
- 26 The effect of this incorrect measure by Mr Stanley is significant. I comment more on this error within my comments under Mr Stanley's Repair Quotation Review Appendix B.

MR STANLEY'S REPAIR QUOTATION REVIEW – APPENDIX B

- 27 Mr Stanley refers to "bespoke" items having a higher value of work than he would anticipate and concludes this may be as a result of the number of hours allowed which may contain additional risk.
- I disagree with this assumption. This is a complicated repair involving the demolition and rebuilding of the ground floor perimeter walls and the support of the first and second floor structures above it. The interior and exterior of the house is largely replaced. When I reviewed the initial estimate prepared by Mr Milne, it contained a number of quotations from subcontractors and suppliers thus reducing the element of risk to Mr Milne.

- 29 Mr Stanley refers to the excessive time allowed by Mr Milne to remove and dispose of the chimneys and cites 810 hours or 18 weeks. What Mr Stanley fails to mention is the 18 weeks is for one person. In all reality, there would be at least four to six people required to complete that task, thus the duration would be three to five weeks, which is reasonable.
- 30 In terms of the percentages applied:
 - 30.1 Margins:
 - (a) Mr Stanley confirms 7.5% is reasonable.
 - (b) I disagree and suggest 10% was more in line with the market then, and remains so in today's market.
 - 30.2 Contingencies:
 - (a) I disagree with Mr Stanley's comment that the rates include a good element of risk and the contingency could be reduced.
 - (b) I agree that a 10% allowance is reasonable.
 - 30.3 Professional Fees:
 - (a) I agree with Mr Stanley that the professional fees allowed by Mr Milne are too low at 5%.
 - (b) Mr Stanley states a range of 10% to 15% and adopts 10% for his calculations.
 - (c) I disagree with 10% and allow 20% to cover the heavy involvement of project management, design and observation from both the heritage architect, the structural engineer, and other engineers such as geotech, mechanical etc. There will be input required from an archaeologist, as well as heritage consultants from the Council etc.
 - 30.4 Project Management:
 - (a) On the basis the allowance made for PM by Mr Milne is better described as a site or construction manager, and not an external PM, then I agree with Mr Stanley that this should be included in the P&G.
 - 30.5 P&G:
 - (a) I agree with Mr Stanley's allowance of 12%.

- 31 Betterment:
 - 31.1 I disagree with Mr Stanley as to the degree of betterment he believes Mr Milne has included in his estimate.
 - 31.2 Due to the methodology and materials required to repair and reinstate the interior of the dwelling, the result is the interior must change in its layout and appearance to accommodate the recommendations made by Mr Gilmore.
 - 31.3 Mr Stanley specifically identifies the following items as being betterment:
 - (a) HVAC (Heating, ventilation & air conditioning) supply and install ducted central heating:
 - (i) The dwelling contained 14 fire places (not chimneys).
 - (ii) Mr Milne makes allowance in his estimate to remove all 14 fireplaces and reinstall only five of them, on the assumption they can be salvaged and reused.
 - (iii) I suggest the cost of HVAC versus reinstalling 14 salvaged fire places is neutral.
 - (b) Fire System supply & install:
 - (i) The dwelling contained three plumbed up fire hose reels within cabinets each serving an entire floor.
 - (ii) Mr Milne simply replaces these with a modern system.
- 32 In terms of the replacement cost:
 - 32.1 As I have stated, I consider Mr Stanley has incorrectly measured the GFA as being 1643m2. According to my measure, the GFA is 1089m2 (**Appendix 4**).
 - 32.2 This significantly adjusts Mr Stanley's replacement costs estimates as follows (**Appendix 3**):
 - (a) Replacement replica:
 - (i) Based on 1643m2 x \$8,000/m2 is \$13,144,00.
 - (ii) <u>Corrected</u> to 1089m2 x \$8,000/m2 is \$8,712,000.

- (b) Replacement modern high end multi-level:
 - Low end based on 1643m2 x \$7,000/m2 is \$11,501,00.
 - (ii) High end based on 1643m2 x \$10,000/m2 is \$16,430,000.
 - Low end <u>corrected</u> to 1089m2 x \$7,000/m2 is \$7,623,000.
 - (iv) High end <u>corrected</u> to 1089m2 x \$10,000/m2 is \$10,890,000.

MR STANLEY'S REPAIR QUOTATION REVIEW – APPENDICES C & D

- 33 Mr Stanley states in his Appendix B that he adopts the cost fluctuation adjustment by indexation to escalate Mr Milne's 2019 estimate to the end of 2023Q2.
- 34 I agree with the use of this method to escalate costs.
- 35 Mr Stanley states that the Statistics NZ indices for 2023Q2 and 2023Q3 had not been published at the time of his report, and he estimated the indices for these two periods.
- 36 At the time of writing, Statistics NZ has produced its results for the 2023Q2 period.
- 37 To summarise, and referring to Appendix D:
 - 37.1 Labour Cost Index:
 - (a) Mr Stanleys 2023Q2 estimate 1369
 - (b) Actual result 1380
 - (c) The movement in the Index is 19 and not 8.
 - (d) As Mr Stanley had assumed a similar movement in index for 2023Q3, that being 8, I have followed his logic and assumed the 2023Q3 will be similar to the 2023Q2 result, ie a movement of 19 to 1399.
 - 37.2 Producers Price Index:
 - (a) Mr Stanleys 2023Q2 estimate 1481
 - (b) Actual result 1490

- (c) The movement in the Index is 16 and not 7.
- (d) As Mr Stanley had assumed a similar movement in index for 2023Q3, that being 7, I have followed his logic and assumed the 2023Q3 will be similar to the 2023Q2 result, ie a movement of 16 to 1506.
- 37.3 The result of the 2023Q2 actual index and the assumption the 2023Q3 index will follow the same trend, means the formula adopted results in an inflation increase of 21.35 per cent rather than the 19.73 per cent allowed for by Mr Stanley.
- 37.4 With reference to Mr Stanley's Appendix C, the three options noted can be revised as follows:

(a)	Optio	n 1:	
	(i)	V = Valuation	\$5,419,124
	(ii)	C = Cost fluctuation	\$1,156,983
	(iii)	Adjusted Value	\$6,576,107
(b)	Optio	n 2:	
	(i)	V = Valuation	\$5,560,854
	(ii)	C = Cost fluctuation	\$1,187,242
	(iii)	Adjusted Value	\$6,748,096
(c)	Optio	n 3:	
	(i)	V = Valuation	\$5,742,905
	(ii)	C = Cost fluctuation	\$1,226,110
	(iii)	Adjusted Value	\$6,969,015

MR STANLEY'S REPAIR QUOTATION REVIEW – APPENDIX E

- 38 Mr Stanley suggests items allowed for within Mr Milne's estimate be removed as he believes these are included within Mr Milne's P&G allowance.
- 39 I agree with four of the items Mr Stanley refers to, namely storage containers, site office, environmental controls and for the sake of argument the \$120.87 noted against a locksmith.

- 40.1 Contract works insurance it is my experience that the owner would usually seek contract works insurance and pay this cost themselves.
- 40.2 Mobile scaffolding it is my experience that when mobiles are needed for work to stair wells or areas where scaffolding is difficult to achieve or is cost prohibitive, then the contractor will hire mobile scaffolds and platforms.
- 40.3 Scaffolding in my experience scaffolding now forms its own trade, much like plumbing or painting, and is rarely included within the P&G.
- 41 Mr Stanley has re-ordered Mr Milne's estimate to better align with how he would have formatted it. I agree with the order Mr Stanley has adopted which is:
 - 41.1 Net cost
 - 41.2 P&G
 - 41.3 Margin
 - 41.4 Contingencies
 - 41.5 Professional Fees
- 42 To this order I would conclude with:
 - 42.1 Resource and Building Consent Fees

42.2 GST

MY REVIEW OF MILNE CONSTRUCTION'S ESTIMATE DATED 3 JULY 2019

- 43 In June 2019, my office reviewed an estimate prepared by Milne Construction dated 18 February 2019, and recommended that some of the rates be reviewed and adjusted.
- 44 I have reviewed Milne Construction's estimate dated 3 July 2019 and confirm the recommendations my office made at the time were followed and the earlier estimate was updated.
- 45 Adopting the Option 3 format Mr Stanley uses at his Appendix E, and adjusting for items I believe do not form part of the P&G, the percentages I believe are reasonable for P&G, Margin, etc, and

adjusting for escalation, my estimate of the Milne Construction – Reduced Repair Option is \$8,127,788 plus GST.

46 This is summarised in **Appendix 2**.

CONCLUSIONS AND SUMMARY

- 47 By various means, Mr Stanley has adjusted Mr Milne's *Reduced Repair* estimate and increased it by \$1,456,657 from \$5,419,124 to \$6,875,781.
- 48 As I have indicated in my brief, Mr Stanley has not allowed sufficient escalation.
- 49 Adopting Mr Stanley's figures, but using an inflation percentage of 21.35, Mr Stanley's adjustment of Mr Milne's *Reduced Repair* estimate increases it by \$93,234 to \$6,969,015.
- 50 When comparing Mr Stanley's inflation adjusted Milne Construction estimate of \$6,969,015 with his two replacement options, namely a *Replica* at \$13,144,000 and a *Modern Equivalent* at an average of \$13,965,500, one would assume it was economic to repair the dwelling:

	Replica	Modern equivalent
Rebuild	\$ 13,144,000	\$ 13,965,500
Repair	<u>\$ 6,969,015</u>	<u>\$ 6,969,015</u>
Difference	\$ 6,174,985	\$ 6,996,485

- 51 However, Mr Stanley has over measured the GFA of the dwelling by circa 50 percent.
- 52 Using Mr Stanley's square metre rates and applying those to the actual GFA, the corrected *Replica* replacement is \$8,712,000 and the corrected *Modern Equivalent* replacement is \$9,256,500 (average), the economics change considerably:

	Replica	Modern equivalent
Rebuild	\$ 8,712,000	\$ 9,256,500
Repair	<u>\$ 6,969,015</u>	<u>\$ 6,969,015</u>
Difference	\$ 1,742,985	\$ 2,287,485

53 Adopting the percentages I suggest for Margin (10%), Professional Fees (20%), and Inflation (21.35%), my adjustment of Mr Milne's *Reduced Repair* estimate increases it to \$8,127,788.

54 Adopting my adjustment of Mr Milne's estimate, and Mr Stanley's *Replica* and *Modern Equivalent* replacement figures calculated using the actual GFA:

	Replica	Modern equivalent
Rebuild	\$ 8,712,000	\$ 9,256,500
Repair	<u>\$ 8,127,788</u>	<u>\$ 8,127,788</u>
Difference	\$ 584,212	\$ 1,128,712

55 The difference between repair and replacement of \$584,212 suggests a repair is uneconomic.

Stewart Menzies Harrison

20 September 2023

|SH|QS|PM|

Stewart Harrison

QUANTITY SURVEYORS + PROJECT MANAGERS

CURRICULUM VITAE

Name:	Stewart Menzies Harrison FNZIQS, Reg. QS MNZIOB
Qualifications:	 1992 New Zealand Certificate Quantity Surveying 2003 Member New Zealand Institute of Quantity Surveyors Inc. 2006 Registered Quantity Surveyor 2010 Member New Zealand Institute of Building 2016 Fellow New Zealand Institute of Quantity Surveyors Inc.
Directorships/Trustee:	 Director of: - SMH Limited t/a Stewart Harrison Quantity Surveyors + Project Managers Stewart Harrison Limited t/a HARRISONS Quantity Surveyors
	 Trustee of: - The Halberg Foundation (Canterbury/Westland) The Canterbury Cricket Trust The Otautahi Education Development Trust
Experience:	 Quantity Surveying and Project Management experience of: - 19 years in a professional office 5 years in a shop-fitting contractors office 9 years in a main-contractors office
Current Roles:	NZIQS National Board Member NZIQS Canterbury Branch Interview Panel member
Recent Roles:	NZIQS Canterbury Branch Board Chair NZIQS National Marketing Committee Convenor NZIQS National Insurance Working Group member NZQA Approval and Accreditation Panel NZIOB Southern Chapter Board Member

Page 2

Employment History:

My employment history todate is: -

<u>SMH Limited t/a Stewart Harrison Quantity Surveyors +</u> <u>Project Managers</u> (2020 – current) Consulting Quantity Surveyors and Project Managers Director

<u>Stewart Harrison Limited t/a HARRISONS Quantity</u> <u>Surveyors</u> (2014 – current) Consulting Quantity Surveyors Managing Director

<u>Ian Harrison & Associates Ltd</u> (2006 – 2014) Consulting Quantity Surveyors Director

<u>Form Shopfitting & Fixtures Ltd</u> (2001 – 2006) Commercial Shop-fitters Quantity Surveyor Project Manager

<u>Building and Plant Contracting</u> (1998 – 2001) Building Contractors (Commercial/ Residential) Director

<u>Calder Stewart Industries Ltd</u> (1996 – 1997) Building Contractors (Commercial/ Industrial) Project Manager

<u>Hanham & Philp Contractors Ltd</u> (1993 - 1996) Building Contractors (Commercial/ Industrial) Quantity Surveyor

<u>Ian Harrison & Associates Ltd</u> (1990 - 1993) Consulting Quantity Surveyors Cadet Quantity Surveyor

Visit our website www.shqs.co.nz

Stewart Harrison Quantity Surveyors + Project Managers

Description		Option 3		SHQS	Diff	Comments			
Milne Construction		\$ 4,179,704.89		\$ 4,179,704.89	ک ۔		Using th	e total including Margin	\$ 5,074,095.51
Establishment - Storage Containers		-\$ 50,000.00		-\$ 50,000.00	ۍ ۲	Agree	10.00%	Heritage architect	\$ 507,409.55
Establishment - Site Office		-\$ 6,000.00		-\$ 6,000.00	ۍ ۲	Agree	3.00%	Structural engineer	\$ 152,222.87
Insurance Contract Works		-\$ 45,000.00		۔ ج	\$ 45,000.00	Disagree	0.50%	Geotech engineer	\$ 25,370.48
Mobile Scaffolding		-\$ 5,000.00		- \$	\$ 5,000.00	Disagree	1.25%	Mechanical engineer	\$ 63,426.19
Environmental		-\$ 5,000.00		-\$ 5,000.00	ک ۔	Agree	1.25%	Electrical engineer	\$ 63,426.19
Scaffolding for duration of works		-\$ 126,556.00		،	\$ 126,556.00	Disagree	1.00%	Fire engineer	\$ 50,740.96
Locksmith		-\$ 120.87		-\$ 120.87	ک		5.00%	Project manager	\$ 253,704.78
Subtotal		\$ 3,942,028.02		\$ 4,118,584.02	\$ 176,556.00				\$ 1,116,301.01
Preliminary & General	12%	\$ 473,043.36	12%	\$ 494,230.08	\$ 21,186.72	Agree			
Subtotal		\$ 4,415,071.38		\$ 4,612,814.10	\$ 197,742.72				
Margins	7.50%	\$ 331,130.35	10%	\$ 461,281.41	\$ 130,151.06	RA 7.5% and SHQS 10%			
Subtotal		\$ 4,746,201.74		\$ 5,074,095.51	\$ 327,893.78		Labour (Cost Index	
Contract Contingencies	10%	\$ 474,620.17	10%	\$ 507,409.55	\$ 32,789.38	Agree	2023Q2	actual index (RA estimate 1369)	1380
Subtotal		\$ 5,220,821.91		\$ 5,581,505.06	\$ 360,683.15		2023Q3	forecast index (RA estimate 1377)	1399
Other Development Costs (Prof Fees)	10%	\$ 522,082.19	20%	\$ 1,116,301.01	\$ 594,218.82	RA 10% and SHQS 20%			
Subtotal		\$ 5,742,904.10		\$ 6,697,806.08	\$ 954,901.98		Produce	rs Price Index	
							2023Q2	actual index (RA estimate 1481)	1490
Cost fluctuation adjustment	19.73%	\$ 1,132,876.00	21.35%	\$ 1,429,981.60	\$ 297,105.60	RA 19.73% and SHQS 21.35%	2023Q3	forecast index (RA estimate 1488)	1506
Total		\$ 6,875,780.10		\$ 8,127,787.67	\$ 1,252,007.57				
							Change	is 21.325% not 19.73%	
Corrected Cost fluctuation	21.35%	\$ 1,226,110.03				RA % adjusted			
Total		\$ 6,969,014.13		\$ 8,127,787.67	\$ 1,158,773.55				

J. Therefore ?

Appendix 2

			Rhodes			Rhe	odes corrected (5FA	Error in GFA
	Qty	Unit	Rate / m2	Total	Qty	Unit	Rate / m2	Total	
Rebuilding a Replica	1643	m2	\$ 8,000.00	\$ 13,144,000.00	1089	m2	\$ 8,000.00	\$ 8,712,000.00	\$ 4,432,000.00
Rebuilding but modern high end	1643	m2	\$ 7,000.00	\$ 11,501,000.00	1089	m2	\$ 7,000.00	\$ 7,623,000.00	
	1643	m2	\$ 10,000.00	\$ 16,430,000.00	 1089	m2	\$ 10,000.00	\$ 10,890,000.00	
			ave	\$ 13,965,500.00			ave	\$ 9,256,500.00	\$ 4,709,000.00

t Martin Charles and Charles a

Appendix 4





EXISTING FIRST FLOOR 1:100 (A3) <u>1 2 3 4 5 (m)</u> 343.64 m²

Condition Report Room Numbering



5

EXISTING SECOND FLOOR 1:100 (A3) 2 2 3 4 5 (m) 199.03 m²

Condition Report Room Numbering

EXISTING ROOF DECK 1:100 31.15 m²



and:	Daresbury Limited
in the matter of:	proposed Plan Change 14 to the Christchurch District Plan
under:	the Resource Management Act 1991

(Submitter 874)

Statement of evidence of Mark Shalders for Daresbury Limited (Valuation)

Dated: 20 September 2023

Reference: Jo Appleyard (jo.appleyard@chapmantripp.com) Annabel Hawkins (annabel.hawkins@chapmantripp.com)

chapmantripp.com T +64 3 353 4130 F +64 4 472 7111 Auckland Wellington Christchurch



STATEMENT OF EVIDENCE OF MARK SHALDERS FOR DARESBURY LIMITED

INTRODUCTION

- 1 My full name is Mark Spencer Shalders.
- 2 I am a Registered Valuer with FordBaker Valuation in Christchurch.
- 3 I hold a Diploma in Urban Valuation and am a Fellow Member of both the Property Institute New Zealand and the New Zealand Institute of Valuers.
- 4 I have been in private practice as a Registered Valuer since 1983, working as an urban and rural valuer initially in the Auckland region, and since 1993 continuously in the Canterbury province.
- 5 I specialise in residential and light industrial/commercial property. I have considerable experience in residential investment properties, crown acquisitions, and disposal valuations.
- 6 I am familiar with the building and property to which Daresbury Limited's submission relates, having carried out previous valuation assessment work in relation to it, as I explain below.

CODE OF CONDUCT

7 While this is not an Environment Court hearing, I note that in preparing my evidence I have reviewed the Code of Conduct for Expert Witnesses contained in Part 9 of the Environment Court Practice Note 2023. I have complied with it in preparing my evidence. I confirm that the issues addressed in this statement of evidence are within my area of expertise, except where I state that I am relying on the opinion or evidence of other witnesses. I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed.

VALUATION REPORTS

- 8 I previously prepared a Residential Valuation Report for 9 Daresbury Lane, Fendalton, Christchurch which assessed the market value of the property under five layout and condition scenarios.
- 9 A copy of my Residential Valuation Report, dated 15 November 2018, is attached as **Appendix 1** to my evidence.
- 10 I was asked by Mr James Milne to provide updated valuation advice in relation to the property for the purposes of Daresbury Limited's submission on proposed Plan Change 14 to the Christchurch District Plan.

11 I prepared a letter which should be read in conjunction with my earlier Residential Valuation Report. The letter is attached as **Appendix 2** to my evidence.

Mark Shalders

20 September 2023

Appendix 1 2018 Residential Valuation Report

Residential Valuation Report

9 Daresbury Lane, Fendalton, Christchurch



Prepared For: Journey Holdings Limited

Client:

Journey Holdings Limited

Effective Date:

11 November 2018



Valuation Summary

This Valuation Summary is part of the entire valuation report and must be read in conjunction with the whole report.

Address	9 Daresbury Lane, Fendalton, Christchurch
Instructed By	James Milne
Client	Journey Holdings Limited
Purpose of Valuation	To assess the Market Value of this property under five layout and condition scenarios as detailed in this body of this report.
Type of Property	A very substantial historic dwelling on a large rear site. The property is currently in a badly earthquake damaged condition.
Brief Description	Our valuation relates to Daresbury House which is a substantial three level historical home and surrounding land contained in two separate Certificates of Title. Our assessment relates to all of the land associated with this development to the south west of the Waimairi Stream and excludes any additional titles to the north of the stream. Two separate access points are available to this land from Daresbury Lane and Harakeke Street.
Effective Date	11 November 2018
Report Preparation Date	15 November 2018
Special Assumptions	We have been requested to consider a fair market value for the property under five scenarios.
	 To assess the value of Daresbury Homestead assuming it is fully repaired in its current layout and retained on the total land area to the south west of the Waimairi Street.
	 To assess the value of Daresbury Homestead also on the total land area south west of the Waimairi Stream but subject to an altered layout and upgrading works as detailed in the body of this report.
	3. To assess the value of Daresbury Homestead fully repaired in its current configuration on a reduced land area of approximately 3000 m ² .
	 To assess the value of Daresbury Homestead subject to an altered layout and upgrading works as detailed in the body of this report and on a reduced land area of approximately 3000 m².
	5. To assess the value of the land contained within this block assuming the dwelling was removed and the land re-subdivided into smaller allotments as detailed in the body of this report.
	NB: The valuation reflects the Valuer's view of the market conditions existing at the date of the report and does not purport to predict future market condition.

Significant Risks

Daresbury House is a Category One Heritage property which is severely damaged and there is an anticipation that the cost of repair will be unfeasibly high.

Residential Property

9 Daresbury Lane, Fendalton, Christchurch Date of Inspection: 11 November 2018

Our assessed values on the five scenarios described above.

Scenario	Total Value	Land Value	Land Area - m2	Floor Area	
Scenario 1	\$6,000,000	\$4,600,000	6791	1085	
Scenario 2	\$6,750,000	\$4,600,000	6791	1085	
Scenario 3	\$3,640,000	\$2,250,000	3000	1085	
Scenario 4	\$4,350,000	\$2,250,000	3000	1085	
Scenario 5	\$5,850,000	\$5,850,000	6791		

All of the scenarios noted above conclude values that are inclusive of GST if any.

Prepared By

FordBaker Valuation Limited

MARK SHALDERS - Dip Urb Val, FPINZ, FNZIV REGISTERED VALUER DDI: +64 3 964 4102 Email: <u>mark@fordbaker.co.nz</u> Involvement: Inspection Valuation Calculation Report Preparation

Peer Review

This valuation has been peer reviewed by **John Radovonich**, B COM, (VPM), SPINZ, ANSIV, Registered Valuer, who has not inspected the property but is familiar with the location and confirms the appropriateness of the valuation methodology and conclusion.

Registered Valuer Director

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Detailed Property Report and Valuation

1. Valuer Introduction

This report has been prepared by Mark Spencer Shalders, Dip Urb Val, FPINZ, FNZIV, who has been in private practice as a Registered Valuer since 1983, working as an Urban and Rural Valuer initially in the Auckland region, but since 1993 continuously in the Canterbury Province.

1.1 Identification and Status of the Valuer

We confirm that the Registered Valuer signing the report holds a current Annual Practicing Certificate.

We confirm that FordBaker Valuation Limited holds and maintains a current Indemnity Insurance Policy and that the Registered Valuer signing the report is covered by the Policy.

1.2 Instructed By

James Milne

1.3 Client

Journey Holdings Limited

1.4 Purpose of the Valuation

To assess the Market Value

1.5 Basis of Value

The International Valuation Standards 1 July 2017 defines 'Market Value' as:

The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties have each acted knowledgeably, prudently and without compulsion.

1.6 Valuation Dates

Date of Inspection:	11 November 2018
Effective Date:	11 November 2018

1.7 Nature and Source of the Information Relied Upon

We have accessed the following information in completing this assessment:

- > Identifier/Certificate of Computer Freehold Register Land Information New Zealand
- Property-Guru information
- PropertySmarts (Headway Systems Limited)
- Christchurch City Council (<u>www.ccc.govt.nz</u>)
- > Environment Canterbury (<u>www.ecan.govt.nz</u>)
- > FordBaker Valuation Limited sales and rental database information
- Client information as provided by James Milne including subdivision proposals, a summary of the structural engineering advice in relation to Daresbury House and estimated repair costs for Daresbury House
- > Canterbury Earthquake Recovery Authority (CERA now disestablished) information
- QuickMap (Custom Software Limited)
- Google Earth (<u>https://www.google.com/earth</u>)
- Google Maps (<u>www.google.co.nz/maps</u>)

1.8 Assumptions and Special Assumptions

For 'Special Assumptions' made in this report, refer to '14 Special Assumptions'.

1.9 Restrictions on Use, Distribution or Publication

The report is not to be relied upon by any other person or for any other purpose other than those parties identified under '1.3 Client'. We accept no liability to third parties nor do we contemplate that this report will be relied upon by third parties. We invite other parties who may come into possession of this report to seek our written consent to them relying on this report.

We reserve the right to withhold our consent or to review the contents of this report in the event that our consent is sought.

1.10 Valuation Standards

This valuation has been prepared with conformity to the International Valuation Standards 1 July 2017 as well as the Australia and New Zealand Valuation and Property Standards.

- > IVS 101 Scope of Work.
- > IVS 102 Investigations and Compliance.
- ➢ IVS 103 Reporting.
- > IVS 104 Bases of Value.
- > IVS 105 Valuation Approaches and Methods.
- IVS 400 Real Property Interests.
- > IVS 410 Development Property.
- > ANZVGN1 Valuation Procedures Real Property.
- > This valuation report complies with the Residential Valuation Standing instructions 2017 V1.2.

2. Earthquake

Canterbury has experienced a number of major earthquakes since 4 September 2010 along with numerous subsequent aftershocks.

From our inspection of the property it appears that minor to moderate damage occurred to the land making up this block of properties and moderate liquefaction has been apparent in the immediate location as a result of earthquake events over the 2010/2011 earthquake series particularly. The principal building on the site, Daresbury House, has been severely damaged by earthquake events.

Any liquefaction may have affected infrastructure and the integrity and contour of the land. It is also possible that there may be further unseen damage as a result of the seismic activity, which may impact on the market value of the property.

We are not expert in structural or geotechnical matters and are therefore not qualified to comment on the integrity of the land and any structures thereon and, whilst we have not seen anything that would, as Valuers acting reasonably, alert us to any issue in respect of the land's integrity, we would strongly recommend that you engage suitable professionals to report on these matters in order to satisfy yourself as to the physical condition of the property.

Our assessments have been undertaken on the basis that the integrity of the land has not been compromised. Should subsequent advice be contrary to this, we would reserve the right to review our assessment.

Furthermore, our assessment is contingent on suitable insurance being able to be obtained for any redeveloped dwellings on this property. Should adequate insurance be unable to be obtained or maintained, this may have a significant impact on the market value of the property.

3. Environment

3.1 Technical Land Category

Under the <u>www.landcheck.org.nz</u> website as put out by the Canterbury Earthquake Recovery Authority (now disestablished), the six Titles located at the northern end of this block have a '**Green Zone - Technical Category 3 Blue**' designation.

The two Titles associated with Daresbury House to the south west of the Waimairi Stream are identified as having a 'Green Zone N/A – Urban Non-residential' designation.

A Geotechnical report completed by Skytec in October 2013 suggests that the majority of the Daresbury land should be categorised as 'Green Zone - Technical Category 1 Grey', other than a portion of the land to the west of the existing homestead which appears to be better classified as 'Green Zone - Technical Category 2 Yellow' designation.

'Green' zoned land is generally suitable to be repaired and rebuilt upon, however some land in the 'Green' zone is generally considered suitable for residential construction although houses in some areas will need more robust foundations or site specific foundation design where foundation repairs or rebuilding are required.

'Technical Category 1, Grey' indicates that future land damage from liquefaction is unlikely.

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Matter Ref: 68843/LN

The 'Technical Category 2, Yellow' designation identifies minor to moderate land damage from liquefaction is possible in future significant earthquakes. You can use standard timber pile foundations for houses with lightweight cladding and roofing and suspended floors; or enhanced concrete foundations i.e. more robust floor slabs that better tie the structure together as outlined in the Department of Building and Housing 2010 guidance on house repairs and reconstruction following the Canterbury earthquake.

The 'Technical Category 3 Blue' designation identifies moderate to significant land damage from liquefaction is possible in future significant earthquakes. Site specific geotechnical investigation and specific engineering foundation design is required

3.2 'LLUR' Property Statement (Listed Land Use Register)

In May 2014, Environment Canterbury released the Listed Land Use Register, which identifies where hazardous activities are known to have occurred or are currently occurring in Canterbury. From reviewing the Register, the subject site is clear of any noxious, hazardous or dangerous activities with no recorded possible site impairment.

3.3 Minimum Floor Level Requirements

Potential Flood Hazard

We are aware that some areas of the City are prone to flooding in heavy rain events and that post-earthquake engineering studies have shown potential increases in flood levels in some suburbs. We would advise any concerned parties to contact the Christchurch City Council and/or utilise their floor level viewer of post-earthquake land levels, the link for which is shown below:

https://ccc.govt.nz/services/stormwater-and-drainage/flooding/floorlevelmap/

We have reviewed the information publicly available on the above site and note that this site has not been modelled for flood risk.

We would strongly recommend anyone with an interest in this property to obtain specialist advice from a suitably qualified land surveyor to determine the land and dwelling levels. Our valuation is based on a direct analysis with recent sales comparisons that are also within a similar un-mapped flood risk area.

4. Insurance Status

Our assessments under Scenarios 1, 2, 3 and 4 are contingent on adequate agreed value replacement or full reinstatement insurance including natural disaster cover being held or being able to be obtained and maintained for the property under terms and conditions that are not excessively onerous. Should this not be possible, then the marketability and market value of the property could be seriously affected.

In the case of an assigned insurance policy, some of the policy benefits can be less than those that would have been enjoyed by the original policy holder. Our valuation assumes that any assigned insurance policy includes full reinstatement cover.

Matter Ref: 68843/LN

5. Computer Register

The property encompassed by this report are held within two separate Certificates of Title as summarised below.

<u>No 1</u>

Туре:	Computer Freehold Register
Identifier:	CB29B/843
Land Registration District:	Canterbury
Estate (Tenure):	Fee Simple
Area:	898 m ²

<u>No 2</u>

Туре:	Computer Freehold Register
Identifier:	CB29B/842
Land Registration District:	Canterbury
Estate (Tenure):	Fee Simple
Area:	5893 m ²
Legal Description:	Lot 2 Deposited Plan 49363
Total Land Area:	6791 m ²

Both Titles are subject to a number of easements with respect of right of ways and service connections that pertain to the shared accessways servicing a number of the properties.

We have attached copies of the two Certificates of Title in relation to these properties and refer you to those for details of the memorials registered against each of the sites.

We are not qualified to legally interpret all of the memorials registered against these Titles, however, the majority appear to relate to shared services and Rights of Way.

Both Titles are further subject to Certificate 6821621.1 pursuant to Section 77 of the Building Act 2004.

That Certificate requires these two Titles to be transferred or leased in conjunction with each other

6. Rating Valuation

Rating Valuation as at 1 August 2016, Christchurch City Council

Capital Value:	<u>\$3,400,000</u>
Improvements Value:	<u>\$300,000</u>
Land Value:	\$3,100,000

Matter Ref: 68843/LN

7. Location Map



Source: <u>www.google.co.nz/maps</u>

7.1 Location Description

This property is located off the northern side of Daresbury Lane and to the eastern side of Harakeke Street, and in the block to the east of Straven Road and north of Kilmarnock Street.

This is a central and well established portion of the Fendalton suburb and contains a mixed range of housing styles from early character homes of a good to superior quality through to high quality modern dwellings and townhouses.

A number of properties in this area enjoy stream frontages and these stream boundary properties have traditionally been the most sought after properties in the Fendalton suburb.

7.2 Amenities

The properties are within the popular Christchurch Boys High and Christchurch Girls High School zones, is within a short radius of the Fendalton Open Air School and within easy driving distance to Heaton Intermediate School.

Within a short radius of the properties are the Westfield Riccarton Mall and Fendalton Mall with a range of other retail facilities within a 3 kilometre radius in this western and north western sector of the City.

Several recreational reserves are within a short radius including the popular Mona Vale Reserve, which is a short distance to the east, Daresbury Park at the northern end of Harakeke Street, and Hagley Park, which is less than 1 kilometre from these properties.

Matter Ref: 68843/LN
7.3 Saleability

Fendalton has for many years been Christchurch's premier suburb with high average value levels and very high underlying land values.

There have been significant changes to the area as a result of the 2010/2011 earthquake series which resulted in substantial damage of many of the older homes and to a number of the newer homes in Fendalton, many of these subsequently rebuilt or destined to be rebuilt in future years.

The average quality of the surrounding housing stock has tended to improve as a result of the rebuilding of many homes and repairs and upgrading to the retained established homes.

The popularity of the area is enhanced by its easy proximity to the central City for commuters, relative ease of access to Christchurch International Airport for regular travellers and the leafy nature of the area with large nearby reserves available.

8. Resource Management

Local Authority: Christchurch City Council		
Zoning:	Under the Christchurch District Plan the property is zoned ' Residential Suburban '.	
	This zone provides for traditional type housing in New Zealand in the form of single or two storey predominantly detached or semi detached houses, with garage and ancillary buildings, and provision for gardens and landscaping.	
	The changing demographic needs, and increasing demand for housing in this zone, are provided for through a range of new housing opportunities, including better utilization of the existing housing stock. The zone provisions enable existing houses to be converted into two residential units, and traditional minor (small) residential units to be built on properties within existing neighbourhoods. A wider range of housing options will enable a typical family home to be retained but also provide greater housing stock for dependent relatives, rental accommodation and homes more suitable for smaller households including elderly persons.	
	This zone was previously 'Living 1' and is an area of existing low density. It allows for Site Density of 450 m ² per unit, a Maximum Building Height of 8.0 metres and Site Coverage of 35%.	
	We are aware that these properties are subject to a number of Heritage orders including a total of 8 protected trees.	

The Christchurch District Plan also identifies Daresbury House as being a Category 1 Highly Significant Heritage building.

The protection relates to the dwelling and the setting of Daresbury House and surrounds.

The protection appears to extend through to 67 and 67B Fendalton Road, which forms part of the main Daresbury Homestead grounds, although those Titles are not encumbered by the Section 77 (Building Act 2004) Certificates that affect the two main Daresbury land parcels south west of the stream.

The impacts of the Heritage protection of the trees and Daresbury House are outlined later in this report.

Existing Use:

OTCIDRKCT V2 U21

The existing use of the property conforms as a permitted use under this zoning.

9. Site Description



Site Area:6791 m²Site Description:The land is an irregular shaped parcel with a principal access point
off the northern side of Daresbury Lane connecting into the south
eastern corner of the block.There is a second right of way access at the north western corner of
the block through to Harakeke Street although this does not appear
to have been used for some time.The north eastern boundary of the site is defined by the Waimairi
Stream.Much of the Daresbury Homestead land is relatively level but with a
north eastern lawn sloping down to the stream boundary.Services:All normal town services are provided.

In preparing this report and unless otherwise stated, services to the property have not been tested nor have we searched local authority records to ascertain restrictions affecting the property.

Layout: The residence is situated on the site as illustrated in the following aerial photograph:



Source: Google Earth

Daresbury Homestead

9.1 Survey

ordbaker valua

We have not undertaken a survey of the property and its boundaries and assume no responsibility in connection with such matters. Unless otherwise stated, it is assumed that all improvements lie within the legal boundaries. Any sketch, plan or map in this report is included to assist the reader in visualising the property and should not be relied upon as being definitive.

10. Improvements

10.1 Design – Daresbury House

Three level character dwelling.

Matter Ref: 68843/LN



Floor Area

Total Floor Area:

1,085 m² approx.

This three level home was constructed between 1897 and 1901 with the lower level of the home being of a structural triple brick system and the upper levels featuring roughcast and timber cladding over timber framing. Window joinery is wooden and the roof has a tiled surface.

This is a very ornate character home offering a total of 40 rooms with generous living facilities on the ground level, bedrooms and multiple bathrooms on the upper levels, and a chapel to the western side of the ground floor area.

We last completed a full internal inspection of the property during the mid-2000s.

We have been provided with a summarised structural assessment report completed by Structex Metro Limited - dated 21 October 2013 - which advises that the building in its current state is in a very dangerous condition, particularly the three storey northern portion of the dwelling, and they advise that it could suffer significant and devastating collapse in another large earthquake event.

Other portions of the home are also considered to be sufficiently damaged to pose a risk to life safety.

Given the contents of the engineers' report, we have not completed an internal re-inspection of the dwelling for safety reasons, but have completed an external inspection.

The home is showing significant signs of structural damage, which is clearly evident to the ground floor structural brick walling, and we understand that there is also significant internal damage.







We have also been provided with a Quantity Survey report dated 21 October 2016 from Rawlinsons Limited, estimating a total repair cost for Daresbury House of \$3,460,000 excluding GST (approximately \$3,980,000 including GST).

There are a number of exclusions from this Quantity Surveyors estimate including any cost escalations after the date of their assessment, any additional costs associated with upgrading to areas such as the kitchen, the cost of any Building Consents, relevelling of the timber floors and structural supports to the first or second floors, and the added cost of any requirement to include an elevator or other items that would now be required to meet the Building Code for disabled access.

We note that their assessment also excludes any costs that may be required to upgrade the existing drainage services.

Based on the Rawlinsons elemental estimate summary, the final cost of repairing Daresbury House is likely to substantially exceed \$4,000,000.

We are aware that the previous owners purchased in 2015 on an 'As Is Where Is' basis indicating that the owners of the property through the earthquake series had settled with their insurers on a cash settlement rather than undertaking a repair programme.

Our clients purchased the property more recently on a similar basis.

The dwelling is therefore unrepaired and uninsured, and the current owner of the property, and any future owners, will not have the benefit of any insurance or EQC funds to assist in the repair process.

Given the projected cost of repairs, we believe that the dwelling is not financially feasible to repair.

10.2 Essential Repairs

See above

Environmental

No enquiries in respect of any property or of any improvements thereon have been made for any sign of timber infestation, asbestos or other defect, whether latent, or patent. We are not aware if the property has been contaminated by the past or present manufacture or use of drugs or other noxious substances and have completed our assessment on the basis that the property is clear of contamination from such a cause. We reserve the right to amend our valuation should the property prove to be contaminated.

Structural

This report has been prepared for valuation purposes only and is not intended to be a structural, geotechnical or environmental survey. Furthermore, we have not sighted a qualified engineer's structural survey of the improvements, or its plant and equipment, nor are we a building construction and/or structural expert. Accordingly we are unable to certify the structural soundness of the improvements, nor can we confirm whether the buildings are earthquake prone or present any seismic risk. Our assessment assumes the buildings to be sound unless stated otherwise. Prospective purchasers or mortgagees would need to make their own enquiries in this regard.

LIM / PIM

We have not obtained Project and Land Information Memoranda from the Local Authority and recommend these be requested by you. Where we have been unable to establish specific building consent/permit details, or code compliance information in respect of improvements undertaken, we have assumed that all building consents/permits have been obtained for the property and that compliance certification has been approved, with no major problems identified. If it is found within the Project and Land Information Memorandum that there are negative implications that may affect the property value, we reserve the right to review or reassess our valuation.

10.3 Construction Costs

Not applicable

11. Market Considerations

Interest Rates: The Reserve Bank last decreased the Official Cash Rate (OCR) by 0.25% to 1.75% on 10 November 2016 of which remained unchanged at the last review on 27 September 2018. For those with a 20.00% deposit or greater, floating mortgage rates from major banks, are in the range of 5.75% to 5.90%, two year fixed rate mortgages are currently between 4.19% and 4.35% and five year fixed rate mortgages are currently between 4.99% and 5.09%. The medium to long term mortgage interest rates have remained relatively stable over recent years although with significantly higher five year fixed rates than two year fixed rates, there is an expectation of interest rate rises in the mid-term future. **Migration:** A key driver of the residential property market - residential property values have traditionally followed migration trends. This graph correlation reflects the pressure applied to the market by positive and negative net migration movements. There was an obvious slump in net migration immediately after the February 2011 earthquake events, however recent trends show slight reductions in both net migration and median sale price. The new coalition government is looking to introduce further restrictions on foreign ownership of residential property under the Overseas Investment

Amendment Bill 2017 however this Bill is still some way from being finalised.



Market Trends:

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Key features of the Christchurch residential market include:



- The trend line indicates that the Christchurch median sale price increase over a 12 month rolling period (e.g. September 2018 vs September 2017) peaked in mid to late 2013 and has eased in the last 12 months
- According to REINZ, the Christchurch median sale price was \$450,000 in September 2018, compared with \$435,500 in September 2017. Sales volumes since April 2016 have shown a small but progressive reduction after allowing for seasonal variations. This is highlighted in the graph below:



A comparison of the median sale prices for September 2018 and September 2017 is outlined below with the percent increase:



- Most of the areas shown above have recorded minimal price movement in the last 12 months
- The Christchurch City Council continue to determine the flood level modelling for the City
- Signs of an over-supply of property developing in Christchurch's satellite towns
- In the period from January 2018 to September 2018 there have been 32 recorded sales over \$2,000,000. We note that 7 of these have sold in excess of \$3,000,000 including 3 transactions that have not been made public
- > Pricing of residential building work is becoming more competitive
- RBNZ continues to impose a 35% equity requirement on bank loans to investors, up from the 20% previously required, apart from new builds
- Proposed Government changes could impact property owners and investors, and these include:

- Recent announcement imposing possible changes to the Residential Tenancy Act including 90 day notice to terminate a tenancy and only one rental increase per year
- Increasing "Brightline" test from 2 to 5 years of ownership
- "Healthy Homes" upgrade requirements
- Increased concerns over poor quality of some EQC repairs
- Recently announced controls on overseas buyers investing in New Zealand
- Proposed tax changes ring-fencing rental property losses
- Substantial Rates increases proposed by the Christchurch City Council which should result in a rating increase on a median price home from \$2,650 per annum to \$3,090 per annum in the next 3 years
- Possible impact on the cost of property ownership from insurers proposals to weight insurance premium costs or excesses based on perceived property risk
- Christchurch's 'One Central' (formerly East Frame) development has now commenced with marketing underway with the first stage now released
- Increased concerns in the market over poor quality repairs to Earthquake damaged properties
- Buyers have become more discerning as the Canterbury market slows, something that is beginning to impact on the saleability and value of properties with specific locational or quality defects:



According to REINZ, in September 2018 the median selling period for a property in Christchurch was 35 days to sell, compared with September 2017 where it was 32 days. There is an obvious trend of increased days to sell which is consistent with a slowing market.

11.1 Valuation Approach

As discussed previously in this report we have been requested to consider five valuation scenarios in relation to the property.

These are briefly summarised below.

Scenario 1

Valuation of Daresbury Homestead in its current layout, fully repaired and on the total land area south of the river i.e. 6791 m².

This scenario assumes that the homestead will be fully repaired to address the extensive earthquake damage that exists at present, will retain its existing layout and facilities, and that all repair works will be carried out with engineering supervision, Building Consent approval and Code of Compliance Certification on completion. It is assumed that all work would be completed with full Heritage New Zealand approval.

Under this scenario it is assumed that only basic landscaping around the property would be completed as part of that process.

Scenario 2

This scenario assumes that again that the Daresbury Homestead would be fully repaired and retained on the existing land parcel of 6791 m².

The dwelling layout would however be altered to provide a more modern indoor/outdoor living flow from external doors and windows, new high specification window joinery would be installed, the dwelling fully insulated, new timber framed construction with brick veneer cladding, a new foundation system, full structural bracing, completion of internal fit-out with new high spec joinery to a modern style and completion of further landscaping including a swimming pool and tennis court, and four car garaging adjacent to the dwelling.

This scenario assumes again that the project will be undertaken with full engineering approval, Building Consent approval with Code of Compliance upon completion and that work will be carried out to the satisfaction of Heritage New Zealand.

Scenario 3

This scenario assumes that the dwelling will be repaired to the same level as proposed under scenario 1 but the dwelling will be retained on a smaller land parcel of approximately 3000 m².

Scenario 4

This scenario assumes that the dwelling will be fully upgraded as described in scenario 2 but will be retained on a smaller land parcel of approximately 3000 m².

Scenario 5

This scenario is undertaken on the basis that the dwelling would be removed with Council and Heritage New Zealand approval and consent, and that the land parcel of 6791 m² would be subdivided into potentially 6 lots, one accessed directly from Daresbury Lane, one from the Harakeke Street right of way and 4 lots from the right of way through to Fendalton Road, north of the river.

We have elaborated on the 5 scenarios as set out below:

Scenario 1

Value of Daresbury full repaired state on current layout and on land area of 6,791m².

In assessing the value of the property on this basis, we have firstly considered the underlying vacant land value of the block recognising the substantial nature of the site and its subdivision potential particularly if the existing dwelling is removed.

The land sales comparisons we have utilised in this instance include the following:

<u>Street #</u>	<u>Street Name</u>	<u>Locality</u>	Sale Date	<u>Sale Price</u>	Area	<u>Rate/m²</u>
105A	Meriv ale Lane	Meriv ale	Oct-18	\$1,350,000	1510 m ²	\$894
52 - 54	Innes Road	Meriv ale	Sep-18	\$1,275,000	2291 m ²	\$557
7&9	Ranfurly Street & 74 Bristol Street	Meriv ale	Sep-18	\$4,025,000	4175 m ²	\$964
79a	Hinau Street	Fendalton	Jul-18	\$755,000	961 m²	\$786
8	Fendalton Road	Fendalton	Mar-18	\$780,000	751 m²	\$1,039
9	Daresbury Lane, 67 & 67B Fendalton Road	Fendalton	Mar-18	\$4,800,000	9080 m²	\$529
36A	Glandov ey Road	Fendalton	Mar-18	\$540,000	503 m²	\$1,074
36A	Glandov ey Road	Fendalton	Dec-17	\$540,000	830 m²	\$651
37	Kotare Street	Fendalton	Nov - 17	\$750,000	1158 m ²	\$648
50	Wroxton Terrace	Fendalton	Aug-17	\$1,900,000	2065 m²	\$920
50	Clifford Avenue	Fendalton	May-17	\$1,052,000	950 m²	\$1,107
39	Mcdougall Avenue	Meriv ale	May-17	\$535,000	751 m²	\$712
30	Holmwood Road	Fendalton	Mar-17	\$1,365,000	1442 m ²	\$947
29	Wairarapa Tce	Fendalton	Nov-16	\$2,200,000	1798 m ²	\$1,224
44 & 46	Weka Street	Fendalton	Oct-16	\$2,485,000	2210 m ²	\$1,124

Included within the schedule of sales is the recorded sale price for the subject property, that sale including the land to the south of the Waimairi stream and additional land to the northern side of the stream. The overall land rate of \$529/m² is inclusive of any perceived positive or negative value in the existing damaged dwelling and site improvements.

A number of the larger sites listed above included building improvements, generally in a damaged state and typically these were being sold on an 'As Is Where Is' basis.

Included in that category are the 105A Merivale Lane property that recently sold with an 'As Is Where Is' villa styled home, and 7 and 9 Ranfurly Street and 74 Bristol Street which contained a number of large but poor quality older buildings.

Interestingly, the dwelling at 105A Merivale Lane was constructed prior to 1900 and although it was not a listed Heritage building, it was considered to be an "Archaeological Site" under the Historic Place Pouhere Taonga Act. The Act definition is below:

Interpretation

In this Act, unless the context otherwise requires,---

archaeological site means, subject to section 42(3),----

- (a) any place in New Zealand, including any building or structure (or part of a building or structure), that-
 - was associated with human activity that occurred before 1900 or is the site of the wreck of any vessel where the wreck occurred before 1900; and
 - provides or may provide, through investigation by archaeological methods, evidence relating to the history of New Zealand; and

(b) includes a site for which a declaration is made under section 43(1)

authority means an authority granted by Heritage New Zealand Pouhere Taonga under section 48, 56, or 62 to undertake an activity that will or may modify or destroy 1 or more archaeological sites Board means the members of the governing body of Heritage New Zealand Pouhere Taonga Our client's legal advice on that property was that because the house was pre-1900, any demolition consent will include a requirement for an archaeological assessment.

That requirement appears to have resulted in a reduction in the property's sale price which is out of line with other land sales in the Merivale suburb.

The balance appeared to have been vacant sites when sold.

To the best of our knowledge none of the properties listed above apart from 105A Merivale Lane dwelling, had any protected trees or buildings.

Included in our schedule of land sales above are sites that enjoy a higher density land zoning than the subject with greater redevelopment potential. There isn't, however, a substantial difference in the land value rates achieved despite those different zonings.

Based on the total land area associated with these two titles of 6791 m², we believe that a realistic land value rate that could be applied to a parcel this size in this location, as bare land without any Heritage Protected building or Archaeological interest, would be in the range \$650 per square metre to \$700 per square metre , and we have adopted a mid-point value of \$675/m² which indicates a bare land value of \$4,600,000.

This is our assessment of the underlying bare and unencumbered land value associated with the subject land parcels.

In order to determine the added value of the dwelling improvements after repair works have been completed, we have set out to draw comparisons from recent sales of other substantial character buildings that have sold throughout Canterbury, using this data to give a benchmark as to the likely market value of the property when fully refurbished.

As part of this process we have also considered the property's potential value as a luxury bed and breakfast or similar accommodation facility recognising that the very large floor area of the home could make it better suited to that form of activity than for use as a single family home.

We have considered the possibility of converting the dwelling to separate residential tenancies however we do not believe that it is either feasible or desirable.

oor said							
St No	Address	Suburb	Sale Date	Sale Price (SP)	Land Area (Net)	Floor Area	
34	Bev erley St	Merivale	Jan-18	\$2,355,000	1,235	402	
122	Park Terrace	City	Jul-18	\$2,690,000	1,131	400	
15	Heathfield Av	Fendalton	Feb-17	\$2,700,000	1811	290	
120	Clyde Rd	Fendalton	Apr-18	\$3,300,000	2,686	475	
27	Glandov ey Rd	Fendalton	Nov - 18	\$6,825,000	4,961	374	
144	Glandov ey Rd	Fendalton	May-18	\$3,400,000	1,744	679	
146	Papanui Rd	Meriv ale	Jan-18	\$3,500,000	2,997	420	
62	Heaton St	Meriv ale	Aug-18	\$3,525,000	1,321	515	
3979	West Coast Rd	Darfield	Jan-17	\$4,600,000	258215	637	
414	Woodfields Rd	Swannanoa	Jul-17	\$1,745,000	47095	440	
70	Glandov ey Rd	Fendalton	Jun-16	\$2,800,000	2023	380	

Set out below is a schedule of the sales of improved properties we have considered as part of our sales analysis process.

Our methodology, when analysing the sales comparisons, is to establish the added value rate of building improvements associated with each of these properties over and above their bare land value component.

That is known as the net rate approach and gives a consistent basis to establish what level of value the market pays for a comparable home over and above the bare land value of each property and the value of their site improvements.

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Looking at the sales comparisons above which have been analysed on a consistent basis the net added value rate for the residential dwelling is summarised below.

St No	Address	Floor Area	Net Rate
34	Bev erley St	402	\$2,376
122	Park Terrace	400	\$2,675
15	Heathfield Av	290	\$2,414
120	Clyde Rd	475	\$2,316
27	Glandov ey Rd	374	\$5,548
144	Glandov ey Rd	679	\$2,504
146	Papanui Rd	420	\$2,976
62	Heaton St	515	\$4,126
3979	West Coast Rd	637	\$4,788
414	Woodfields Rd	440	\$2,602
70	Glandov ey Rd	380	\$2,171

All of these character homes had been renovated to varying quality prior to sale.

As is typical in the Christchurch market, the majority of these character homes indicated net rate values of between \$2,150/m² and \$3,000/m² and that is consistent for most of the better quality character dwellings we see sold in our market.

There are three sales substantially above that net rate level.

Firstly, the property at 27 Glandovey Road which sold very recently at a record sale price level for Christchurch. This a large rear site (4,961 m²) with a highly refurbished two level character home and good quality site development. The property is listed as Category 2 protected, was auctioned and we believe the highest bid at auction to be \$5,000,000. Post-auction negotiations resulted in the agreed sale price of \$6,825,000.

Secondly, the property at 62 Heaton Street which sold recently but appears to have oversold in some respects when compared to a property such as 144 Glandovey Road which is a similar age and style of house and which sold at a similar time.

Thirdly, the property at 3979 West Coast Road which is known as 'Racecourse Hill', is in the Darfield area and is an historic homestead on a large rural block. That property had been available for sale for an extended period of time and also appears to have sold at a value level outside the normal range for homes of this type in our market.

Apart from the recent 27 Glandovey Road sale, we are not aware of any character homes in Canterbury that have sold in recent years at a sale price in excess of \$4,600,000.

There have been recent higher priced sales of modern architectural homes and these typically achieve higher net value rates when compared to refurbished character homes. Sales of these modern homes are typically below \$6,000,000 in our market.

Interestingly, recent sale of Heritage protected properties in Christchurch have shown that many sell below the bare land value of the site a reflection of the market resistance to properties where the owners have reduced control over the buildings due to Heritage protection rules and expect the costs of any refurbishment process to be higher than would be the case where no Heritage requirements need to be met.

Examples of this issue are shown below:

St No	Address	Location	Sale Date	Sale Price	Land Area	Floor Area	Net Rate
105A	Meriv ale Lane	Meriv ale	Oct-18	\$1,350,000	1510	260	-\$1,154
387	Manchester St	City	Jul-18	\$2,500,000	5505	1760	-\$639
48A	Fendalton Rd	Fendalton	Apr-18	\$2,000,000	1774	371	\$701
50	Rugby St	Meriv ale	Apr-18	\$2,718,750	2,175	310	\$867
74	Heaton St	Meriv ale	Dec-17	\$750,000	774	230	-\$370
15	Thornycroft St	Fendalton	Nov - 17	\$3,900,000	3678	490	\$1,163
35	Knowles St	Meriv ale	Nov-16	\$957,500	1085	326	\$222
185	Kilmore St	City	Sep-16	\$850,000	1329	290	-\$569
104	Glandov ey Rd	Fendalton	Sep-15	\$1,610,000	3021	340	-\$1,529
165	Papanui Rd	Meriv ale	Jan-10	\$1,230,000	2456	812	-\$548
279	Montreal St	City	Sep-14	\$615,000	545	690	-\$217

All of the properties above were sold damaged and those showing negative added values for their damaged buildings (coloured in red) have some form of Heritage protection either listed as such, or in the case of the 105A Merivale Lane property, with an underlying archaeological issue.

The four sales with positive net rates are all unprotected buildings but were sold on an "As Is Where Is" condition.

All of these sales have been analysed to establish the net rate value of the dwellings over and above the value of their bare land and any site improvements in satisfactory condition.

It is common for these Heritage protected buildings to have a negative impact on the value of a property which is more clearly displayed in the case of damaged buildings. The sales evidence suggests that the extent of that discount is between \$1,000 pm² and \$2,500 pm² of building area being the difference between the negative values of the Heritage protected buildings shown above and the positive value of the similarly damaged unprotected buildings.

If Daresbury Homestead was fully repaired as described under Scenario 1 and was free of Heritage protection we would adopt an added value rate (net rate) in the range \$2,500/m² to \$2,750/m² recognising the very substantial floor area associated with this building.

We have concluded that there is a provable net rate discount for a Heritage protected building of between \$1,000 pm² and \$2,500 pm² and that suggests to us that a fair added value rate for this Homestead is in the range \$1,000/m² to \$1,500/m² upon completion of upgrading.

We have adopted a mid point value of \$1,250/m².

Although this rate is low when compared to the available sales evidence, it fairly reflects the very large floor area of the property and its unusual existing floor plan. Anyone purchasing the property once repaired will face a requirement to complete further modernisation and further ground development works, and given the size of the land and dwelling, those costs would be significant.

Based on the total floor area of the dwelling at approximately 1085 m² that represents an added value for the building improvements of, rounded to, \$1,350,000.

Additionally there are existing site improvements with the property in terms of driveway, fencing etc together with planting which we have estimated to offer an added value of \$40,000.

Adding back the bare land value assessed at \$4,600,000, this gives the property a rounded value of \$6,000,000 on that scenario.

This places the value of the property at the extreme upper end of the Christchurch residential property market and to achieve a sale of that level may take a considerable period of time.

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There is a known market resistance to Heritage Protected properties in Christchurch, particularly in this upper price band where the majority of purchasers prefer to retain control of their property decisions and are not generally comfortable with the additional controls and costs of upgrading or changing a Heritage Protected building.

Scenario 2

Under this scenario, we have been requested to consider the value of the property retaining the total land area of 6791 m² and with the dwelling fully refurbished including extensive upgrading and alterations of the home, and completion of further site development works including the four car garaging, tennis court and pool.

Under that scenario we would expect the dwelling to achieve a higher added value rate being a more market friendly style of home, and one with little requirement for additional upgrading in the short to medium term.

Again our assessment needs to recognise the size and nature of the home, and the effects of retaining its Heritage Protection post refurbishment.

We see an added value rate in the vicinity under this scenario of \$1,700/m² of building area.

The site improvements will be much more extensive than those currently offered and accordingly we have estimated an added value for the site improvements as discussed of \$305,000.

Under this scenario, we have assessed the completed property value at \$6,750,000.

This is a price level above the proven market in Christchurch (apart from the latest 27 Glandovey Road sale) and it may be a difficult and long process to attract a buyer at this level.

Scenario 3

Under this scenario we have been asked to consider the value of the property if repaired as discussed in Scenario 1 but retained on a significantly smaller land parcel of approximately 3000m².

Based on the land sales evidence available to us, we have estimated the land value for that smaller potential land parcel at between \$725/m² and \$775/m², and we have adopted a rounded land value of \$2,250,000 which equates to an overall rate of \$750/m².

Given the reduced land area under this scenario, we believe the existing site improvements offer a maximum added value of \$35,000.

Based on the net rate applied to the dwelling under Scenario 1, the total value of the repaired property on the assumptions made in Scenario 3 equates to \$3,640,000.

This is our assessed value for the repaired homestead on a reduced land area of 3000 \mbox{m}^2 or thereabouts.

Scenario 4

As with Scenario 2, this assumes that the homestead would be fully refurbished, upgraded and repaired but, as with the other preceding scenarios, would also retain its heritage protection.

Under Scenario 4 we have again applied a land value of \$2,250,000 to the bare site of approximately 3000 m², have allowed an added value for the site improvements as proposed including the tennis court, pool etc of \$260,000 (below the \$305,000 assessed in Scenario 2 but reflecting the smaller land area associated with this fourth scenario).

We have also included the added value of the dwelling at a net value rate of $1,700/m^2$ when fully refurbished.

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This gives a combined value under this scenario of \$4,350,000.

As a check method we have considered the possibility that the refurbished home under this scenario could be purchased for use as a multi room bed and breakfast or luxury accommodation lodge.

It would have potentially offer a 9 or 10 bedroom configuration with each of the rooms to have an ensuite bathroom.

We have endeavoured to estimate the value of the property under this possible use and, in so doing, have analysed the most recent sales comparisons available to us for bed and breakfast properties throughout Canterbury.

A summary of these is set out below:

Address	141 Hackthorne Road, Cashmere
Contract Date	May 2015
Sale Price	\$2,500,000
Site Area	4034 m ²
Description	This is a mid-hill site of 4034 m ² developed with an historic residence totalling approximately 730 m ² and built in 1928. Extensive site improvements were associated with the property when purchased. This building has a 12 bedroom, 12 bathroom configuration, a lower underlying land value than the subject and a smaller floor area at approximately 730 m ² . When considered on an overall value rate, the sale represents a value of just over \$208,000 per habitable bedroom. That sale price includes any furniture, fittings and equipment and plant items associated with the business.

Address	8 Clearwater Avenue, Northwood		
Contract Date	September 2018		
Sale Price	\$2,650,000		
Site Area	3.494 hectares		
Description	This is a small rural block of just under 3.5 hectares on the corner of Johns Road and the Clearwater access road, developed with a relatively modern building totalling approximately 617 m ² and having a 7 bedroom, 7 bathroom layout. It has been used as a bed and breakfast facility for some years and comes complete with extensive site developments, sheds and a small vineyard.		
	The overall value rate indicated by that sale is just over \$378,500 per room including all fixtures and fittings etc.		

Address	7 Beach Road, Akaroa
Contract Date	September 2017
Sale Price	\$1,900,000
Site Area	483 m ²
Description	A small site located directly opposite the main beach in Akaroa and developed with a purpose built two level replica home having a 1900 character appearance. The total floor area of the building is approximately 378 m ² and it offers a 5 bedroom 5 bathroom configuration. That sale indicated a value rate of approximately \$380,000 per room.

Address	99 Beach Road, Akaroa
Contract Date	May 2017
Sale Price	\$2,350,000
Site Area	2534 m²
Description	This is a large rear site of 2534 m ² at the southern fringe of the Akaroa settlement developed with a large historical home known as 'Oinako' Lodge, totalling approximately 560 m ² over two levels and with an 8 bedroom, 7 bathroom configuration. This property again has been used as a bed and breakfast facility for some time and was well presented throughout. The sale price indicates a value rate of just under \$295,000 per room.

It is interesting to note that the two newer buildings that have sold above achieved the highest value rates of approximately \$380,000 per room while the two character buildings achieving lower rates of under \$300,000 per room.

That is likely to be a reflection of the higher running costs and maintenance responsibilities associated with those older properties.

The subject property is in a location superior to any of the sales above and has a significantly higher underlying land value.

The locational quality is likely to enhance the revenue from any bed and breakfast operation however there is no other real benefit in the higher land value when compared to the other sales.

We believe that the optimum value of the property as a bed and breakfast operation would be between \$325,000 and \$350,000 per room once fully refurbished under Scenario 2 and Scenario 4 refurbishment plan, and that would suggest a value as a bed and breakfast operation of between \$3,250,000 and \$3,500,000 if modified to include a total of 10 bedrooms and 10 bathrooms.

That is well below our assessed value as a dwelling in this scenario.

Scenario 5

As noted previously, this scenario is based on the property's underlying land value assuming the removal of the existing dwelling and other site improvements, and subdivision of the land into 6 new titles in accordance with the hypothetical subdivision plan that has been provided to us.

Based on land sales we have assessed individual land values for these potential 6 lots as shown below:

Lot #	Approx Site Area Excludes Access	Assessed Values	
Lot 7	830	\$975,000	
Lot 8	1230	\$1,250,000	
Lot 9	900	\$850,000	
Lot 10	1250	\$1,200,000	
Lot 11	950	\$925,000	
Lot 12	677	\$650,000	
Total	5837	\$5,850,000	

You will note that the total land area of the 6 proposed lots is smaller than the total land 6,791m² area for the two titles. This lower cumulative land area reflects the net land areas of the newly created lots excluding the rights of way and internal driveways required for accessing the new sites.

The land areas for the individual sites are preliminary areas provided to us and may be subject to change if subdivision occurs.

The assessed values for each of the proposed lots are subject to full completion of proposed subdivision of the block in accordance with the plans provided and issuance of unencumbered registerable fee simple titles in favour of each of the lots shown above.

In Scenarios 1 and 2 of this report we estimated a bare land value for the total 6791 m² making up the two titles at \$4,600,000.

The difference between the cumulative value of the 6 proposed lots and the lower bare block land value reflects the normal subdivision and development costs that are inherent with any land subdivision, and the profit and risk margin and holding costs that developers require in order to justify completion of such a development.



12. Final Conclusion

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We have been requested to consider 5 valuation scenarios which are summarised in the body of this report.

Scenarios 1, 2, 3 and 4 all assume the retention and upgrading of Daresbury Homestead and all recognise that the Homestead will retain its Heritage protection upon completion of that upgrading work.

Scenario 5 assumes that the site is fully cleared and the Heritage Protection removed.

A summary of our values is set out below:

Scenario	Total Value	Land Value	Land Area - m2	Floor Area
Scenario 1	\$6,000,000	\$4,600,000	6791	1085
Scenario 2	\$6,750,000	\$4,600,000	6791	1085
Scenario 3	\$3,640,000	\$2,250,000	3000	1085
Scenario 4	\$4,350,000	\$2,250,000	3000	1085
Scenario 5	\$5,850,000	\$5,850,000	6791	

All of the scenarios noted above conclude values that are inclusive of GST if any.

13. Special Assumptions

We have been requested to consider a fair market value for the property under five scenarios.

- 1. To assess the value of Daresbury Homestead assuming it is fully repaired in its current layout and retained on the total land area to the south west of the Waimairi Street.
- To assess the value of Daresbury Homestead also on the total land area south west of the Waimairi Stream but subject to an altered layout and upgrading works as detailed in the body of this report.
- 3. To assess the value of Daresbury Homestead fully repaired in its current configuration on a reduced land area of approximately 3000 m².
- 4. To assess the value of Daresbury Homestead subject to an altered layout and upgrading works as detailed in the body of this report and on a reduced land area of approximately 3000 m².
- 5. To assess the value of the land contained within this block assuming the dwelling was removed and the land re-subdivided into smaller allotments as detailed in the body of this report.

NB: The valuation reflects the Valuer's view of the market conditions existing at the date of the report and does not purport to predict future market condition.

13.1 Valuer

MARK SHALDERS - Dip Urb Val, FPINZ, FNZIV REGISTERED VALUER DDI: +64 3 964 4102 Email: <u>mark@fordbaker.co.nz</u> Involvement: Inspection Valuation Calculation Report Preparation

13.2 Appendices

- A. Computer Freehold Register
- **B. Additional Photos**

Qualifications & Disclaimers

- The value provided in this valuation is our opinion of the market value on a willing buyer/willing seller basis. That value may change in the future due to market conditions and changes to the state of the property, which is the subject of this report. Any decision to lend should take these factors into account.
- > This valuation and does not in any way concern itself, either expressly or by implication with the ability of the mortgage applicant to meet the financial commitments arising therefrom.
- This valuation and all valuation services are provided by FordBaker Valuation Limited solely for the use of the client. FordBaker Valuation Limited does not and shall not assume any responsibility to any person other than the client for any reason whatsoever including breach of contract, negligence (including negligent misstatement) or wilful act or default of itself or others by reason of or arising out of the provision of this valuation or valuation services. Any person, other than the client, who uses or relies on this valuation, does so at their own risk.
- > This valuation has been completed for the specific purpose stated in this report. No responsibility is accepted in the event that this report is used for any other purpose.
- This report is relevant as at the effective date of our assessment and to circumstances prevailing at that time. However, within a changing economic environment, returns on investment and values can be susceptible to variation - sometimes over a relatively short time scale. We therefore strongly recommend that before any action is taken involving acquisition, disposal or borrowing, restructuring or any other transaction that you consult us.
- FordBaker Valuation Limited has a policy of not contracting out of the provisions of the Consumer Guarantees Act. Accordingly, where there is any conflict between any statement in this report and the Consumer Guarantees Act 1993, the latter shall prevail.
- Neither the whole nor any part of any valuation report, or any reference to the same may be included in any published document, circular or statement without our written approval as to the form and context in which it may appear.
- Substances such as asbestos, other chemicals, toxic wastes or other potentially hazardous materials could, if present, adversely affect the value of the property. The stated value estimate is on the assumption that there is no material on or in the property that would cause loss in value. No responsibility is assumed for any such conditions and the recipient of this report is advised that the Valuer is not qualified to detect such substances, quantify the impact on values or estimate the remedial cost.
- This report complies with the International Valuation Standards and API/PINZ Valuation Standards and Guidance Notes.
- We confirm that FordBaker Valuation Limited holds and maintains a current professional indemnity insurance policy.
- This valuation may not be used for Contributory Mortgage Lending purposes, however, this policy does not apply to Solicitor Nominee Company Lending.
- We confirm that the Valuer has no financial interest or otherwise in the property and has no relationship with the vendor, purchasers or agents.
- Where another party has supplied information to us, this information is believed to be reliable and accurate, but we can accept no responsibility if this should prove not to be so.

Appendix A

Computer Freehold Register



COMPUTER FREEHOLD REGISTER UNDER LAND TRANSFER ACT 1952

Historical Search Copy



Identifier Land Registration District Canterbury Date Issued

CB29B/842 26 September 1986

Prior References CB785/57

Estate	Fee Simple
Area	5893 square metres more or less
Legal Description	Lot 2 Deposited Plan 49363

Original Proprietors

Malcolm North and Alana Mary North

Interests

Subject to water rights granted by Deed of Easement 89850 (140 D 448)

446683 Transfer cre Type Sewage, water and soil	ating the following easeme Servient Tenement Lot 18 Deposited Plan 17795 - CT CB646/1	ents Easement Area Part	Dominant Tenement Lot 2 Deposited Plan 49363 - herein	Statutory Restriction
452841 Transfer cre Type Right of way	ating the following easeme Servient Tenement Lot 2 Deposited Plan 49363 - herein	ent Easement Area A DP 49363	Dominant Tenement Lot 26 Deposited Plan 18233 - CT CB706/67	Statutory Restriction
495643 Transfer cre Type Rights of way, sewer, stormwater drain, water and gas pipe and electrical cable easements	ating the following easeme Servient Tenement Lot 1 Deposited Plan 19964 - CT CB8A/43	ents Easement Area Part	Dominant Tenement Lot 2 Deposited Plan 49363 - herein	Statutory Restriction
495730 Transfer cre Type Rights of way, sewer, stormwater drain, water and gas pipe and electrical cable easements	ating the following easeme Servient Tenement Lot 3 Deposited Plan 19964 - CT CB785/58	ents Easement Area Part	Dominant Tenement Lot 2 Deposited Plan 49363 - herein	Statutory Restriction
643354.3 Transfer c Type Right of way	reating the following easer Servient Tenement Lot 2 Deposited Plan 49363 - herein	nents in gross - 26.9.19 Easement Area D DP 49363	86 at 11.15 am Grantee The Christchurch Drainage Board	Statutory Restriction
The Right of way cr	eated by Transfer 643354.	3 is subject to Section 3	609 (1) (a) Local Governme	ent Act 1974
643354.4 Easement Type	Certificate specifying the f Servient Tenement	Following easements - 2 Easement Area	6.9.1986 at 11.15 am Dominant Tenement	Statutory Restriction

Identifier

CB29B/842

Drain sewage

Lot 3 Deposited Plan -49363 - CT CB29B/843

Right of way right to drain sewage & water right to convey water, power and telephonic communications A & B DP 49363 Lot 1 Deposited Plan 49363 - CT CB29B/841

Lot 2 Deposited Plan

49363 - herein

The easements specified in Easement Certificate 643354.4 when created will be subject to Section 309 (10) (a) Local Government Act 1974

664686.4 Encumbrance to Kenneth Charles Drake and Heather Shirley Drake - 11.2.1987 at 11.35 am (Limited as to Duration)

Land Covenant in Transfer A383165.1 - 18.12.1998 at 11.11 am

Lot 2 Deposited Plan

49363 - herein

5639936.1 Transfer to William Denver Glass, Sally Elisabeth Glass and Colin Notley - 30.6.2003 at 9:00 am

5639936.2 Mortgage to Bank of New Zealand - 30.6.2003 at 9:00 am

6073439.1 Discharge of Mortgage 5639936.2 - 9.7.2004 at 9:00 am

6073439.2 Transfer to Sharon Ena Bartlett and Gayhurst Investments Limited - 9.7.2004 at 9:00 am

6073439.3 Mortgage to Mascot Finance Limited - 9.7.2004 at 9:00 am

6306004.1 Mortgage to Equitable Life Insurance Company Limited - 9.2.2005 at 9:00 am

6306004.2 Mortgage Priority Instrument making Mortgages 6306004.1 and 6073439.3 second and third mortgages respectively - 9.2.2005 at 9:00 am

6306004.3 Transfer of Mortgage 6306004.1 to TEA Custodians (Equitable) Limited - 9.2.2005 at 9:00 am

6821621.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS CB29B/843) - 10.4.2006 at 9:00 am

7079450.1 Covenant pursuant to Section 108(2)(d) Resource Management Act 1991 - 20.10.2006 at 9:00 am

7448177.1 Change of Name of the mortgagee in Mortgage 6306004.1 to Equitable Property Holdings Limited - 4.7.2007 at 9:00 am

7836413.1 Transfer in exercise of power of sale in Mortgage 6306004.1 to William Denver Glass, Sally Elisabeth Glass and Anthony John Sinclair Gardiner - 3.6.2008 at 3:45 pm

Mortgage 6073439.3 is extinguished by virtue of Power of Sale being exercised under prior Mortgage see Transfer 7836413.1 - 3.6.2008 at 3:45 pm

7836413.2 Mortgage to ASB Bank Limited - 3.6.2008 at 3:45 pm

8557060.2 Discharge of Mortgage 7836413.2 - 9.8.2010 at 2:59 pm

8557060.4 Mortgage to Bank of New Zealand - 9.8.2010 at 2:59 pm

9319789.1 Transfer to William Denver Glass, Sally Elisabeth Glass and Oliver Martin Roberts - 22.2.2013 at 12:04 pm

9657827.1 Discharge of Mortgage 8557060.4 - 28.2.2014 at 11:38 am

10231279.1 Transfer to Daresbury House Limited - 6.11.2015 at 12:26 pm

10231279.2 Mortgage to Bank of New Zealand - 6.11.2015 at 12:26 pm

References Prior C/T 785/57

Transfer No. N/C. Order No. 643354/2



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REGISTER

CERTIFICATE OF TITLE UNDER LAND TRANSFER ACT

This Certificate dated the 26th day of September one thousand nine hundred and eight z-six under the seal of the District Land Registrar of the Land Registration District of CANTERBURY

WITNESSETH that ALAN NOWELL MONTGOMERIE IZARD of Christchurch, Farmer ---

is seised of an estate in fee-simple (subject to such reservations, restrictions, encumbrances, liens, and interests as are notified by memorial underwritten or endorsed hereon) in the land hereinafter described, delineated with bold black lines on the plan hereon, be the several admeasurements a little more or less, that is to say: All that parcel of land containing <u>5893 square</u> metres or thereabouts <u>being Lot 2</u> <u>Deposited Plan 49363</u> ---



29B/842 DISCHARGE Mortgage 582890/2 to Dun¢ Mortgage 816731/2 nk Canterbury Nominees Limited - 20.12 .51am 987569/190 Limited - 19.7, Dam CAVEAT 629538/1 by WAIMAND NCTL - 13.8.1986 at 11 52au JIMA for A.L.R. king Group Mortgage 819536/1 to M Transfer 643354/3 granting a right (New Zealand) Liggered 1 3,8-1989 at 11.59am of way in gross (marked D on D.P. 49363) over part herein in favour 990243 of the Christchurch Drainage Board for A.L.R. - 26.9.1986 at 11.15a.m. Land Covenant in Transfer A383165.1 -The Right of way created by Transfer 18.12.1998 at 11.11 643354/3 is subject to Section 309 Jasmanel (1)(a) Local Government Act 1974 for DLR No.643354/4 Easement Certificate specifying intended easements on D.P.49363 Nature Servient Dominant Tenement Tenement Right to drain 3 2 sewage (29B/843) (herein) Right of way 2 A&B 1 right to drain (29B/841) sewage & water right to convey water, power and telephonic communications - 26.9.1986 at 11.15a A.L.R. The easements in Easement Certificate 643354/4 when created will be subject to Section 309(10(a) Local Covernment Act 1974. A.L.R. Encumbrance Plan No.50945 lodged 8.10.1986 and deposited 15.10.1986 Encumbrance 664686/4 for the benefit of Kenneth Charles Drake and Heather Shirley Drake -11.2.1987 at 11.35a.m. timilet as to De for A.L.R. Transfer 671961/3 to Malcolm North and Alana Mary North, both of Christchurch, Company Directors -25.3.1987 at 11.54am A.L.R. Zealand - 25.3.198 of New 54am for A.L.R.



COMPUTER FREEHOLD REGISTER UNDER LAND TRANSFER ACT 1952

Historical Search Copy



Identifier Land Registration District Canterbury Date Issued

CB29B/843 26 September 1986

Prior References CB785/57

Estate	Fee Simple
Area	898 square metres more or less
Legal Description	Lot 3 Deposited Plan 49363

Original Proprietors

Malcolm North and Alana Mary North

Interests

Subject to water rights granted by Deed of Easement 89850 (140 D 448)

446683 Transfer cre	eating the following easem	nents		
Type Sewage, water and soil	Servient Tenement Lot 18 Deposited Plan 17795 - CT CB646/1	Easement Area Part	Dominant Tenement Lot 3 Deposited Plan 49363 - herein	Statutory Restriction
495643 Transfer cre	eating the following easem	nents		
Type Rights of way, sewer, stormwater drain, water and gas pipe and electrical cable easements	Servient Tenement Lot 1 Deposited Plan 19964 - CT CB8A/43	Easement Area Part	Dominant Tenement Lot 3 Deposited Plan 49363 - herein	Statutory Restriction
495730 Transfer cre Type Rights of way	eating the following easem Servient Tenement	nents Easement Area Part	Dominant Tenement	Statutory Restriction
sewer, stormwater drain, water and gas pipe and electrical cable easements	19964 - CT CB785/58	i uit	49363 - herein	
834093 Transfer cre	eating the following easem	nents		
Type Right of way	Servient Tenement Lot 3 Deposited Plan 49363 - herein	Easement Area G DP 49363	Dominant Tenement Lot 16 Deposited Plan 17795 - CT CB786/26	Statutory Restriction
643354.4 Easement	Certificate specifying the	following easements -	26.9.1986 at 11.15 am	
Type Drain sewage	Servient Tenement Lot 3 Deposited Plan 49363 - herein	Easement Area Herein	Dominant Tenement Lot 2 Deposited Plan 49363 - CT CB29B/842	Statutory Restriction
The easement specif	fied in Easement Certifica	te 643354.4 when creat	ted will be subject to Section	on 309 (10) (a)

Local Government Act 1974

5639936.1 Transfer to William Denver Glass, Sally Elisabeth Glass and Colin Notley - 30.6.2003 at 9:00 am

Identifier

CB29B/843

5639936.2 Mortgage to Bank of New Zealand - 30.6.2003 at 9:00 am

6073439.1 Discharge of Mortgage 5639936.2 - 9.7.2004 at 9:00 am

6073439.2 Transfer to Sharon Ena Bartlett and Gayhurst Investments Limited - 9.7.2004 at 9:00 am

6073439.3 Mortgage to Mascot Finance Limited - 9.7.2004 at 9:00 am

6306004.1 Mortgage to Equitable Life Insurance Company Limited - 9.2.2005 at 9:00 am

6306004.2 Mortgage Priority Instrument making Mortgages 6306004.1 and 6073439.3 first and second mortgages respectively - 9.2.2005 at 9:00 am

6306004.3 Transfer of Mortgage 6306004.1 to TEA Custodians (Equitable) Limited - 9.2.2005 at 9:00 am

6821621.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS CB29B/842) - 10.4.2006 at 9:00 am

7079450.1 Covenant pursuant to Section 108(2)(d) Resource Management Act 1991 - 20.10.2006 at 9:00 am

7448177.1 Change of Name of the mortgagee in Mortgage 6306004.1 to Equitable Property Holdings Limited - 4.7.2007 at 9:00 am

7836413.1 Transfer in exercise of power of sale in Mortgage 6306004.1 to William Denver Glass, Sally Elisabeth Glass and Anthony John Sinclair Gardiner - 3.6.2008 at 3:45 pm

Mortgage 6073439.3 is extinguished by virtue of Power of Sale being exercised under prior Mortgage see Transfer 7836413.1 - 3.6.2008 at 3:45 pm

7836413.2 Mortgage to ASB Bank Limited - 3.6.2008 at 3:45 pm

8557060.2 Discharge of Mortgage 7836413.2 - 9.8.2010 at 2:59 pm

8557060.4 Mortgage to Bank of New Zealand - 9.8.2010 at 2:59 pm

9319789.1 Transfer to William Denver Glass, Sally Elisabeth Glass and Oliver Martin Roberts - 22.2.2013 at 12:04 pm

9657827.1 Discharge of Mortgage 8557060.4 - 28.2.2014 at 11:38 am

10231279.1 Transfer to Daresbury House Limited - 6.11.2015 at 12:26 pm

10231279.2 Mortgage to Bank of New Zealand - 6.11.2015 at 12:26 pm

References Prior C/T 785/57

Transfer No. N/C. Order No. 643354/2



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CERTIFICATE OF TITLE UNDER LAND TRANSFER ACT

This Certificate dated the 26th day of September one thousand nine hundred and eighty-six under the seal of the District Land Registrar of the Land Registration District of CANTERBURY

WITNESSETH that ALAN NOWELL MONTGOMERIE IZARD of Christchurch, Farmer ---

is seised of an estate in fee-simple (subject to such reservations, restrictions, encumbrances, liens, and interests as are notified by memorial underwritten or endorsed hereon) in the land hereinafter described, delineated with bold black lines on the plan hereon, be the several admeasurements a little more or less, that is to say: All that parcel of land containing <u>898 square</u>



29B/843 Mortgage 582890/2 to Nominees Limited - 20 i11 11.51am CAVEAT 629538/1 by WALNAIRLED COUNCIL - 13.8.1986 WHE 13.524 **ТСТ /** A.L.R. No.643354/4 Easement Certificate specifying intended easements on D.P.49363 Nature Servient Dominant Tenement Tenement Right to drain 3 2 sewage (herein) (29B/842) - 26.9.1986 at 11.15a A.L.R. The easements in Easement Certificate 643354/4 when created will be subject to Section 309(10(a) Local Government Act 1974. (. A.L.R. Transfer 671961/3 to Marcolm North and Alana Mary North, both of Christchurch, Company Directors -25.3.1987 at 11.54am for A.L.R. Mortgage 671961/4 of New .54am Zealand - 25.3 for A.L.R. Mortgage 816731/2 Bank Canterbury Limited - 19,7 0am 387569/1 JUNFK. for A.L.R. Mortgage 819536/1 to a (New Zealand) Limited ing Group 89 at 11.59am for A.L.R. 1

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Appendix 2 2023 Valuation Letter

fordbaker valuation

25 August 2023

Daresbury Limited PO Box 232 CHRISTCHURCH 8140 FordBaker Valuation Limited

Level 3, Fitzgerald Avenue PO Box 43, Christchurch 8140 New Zealand Tel: +64 379 7830 fordbaker@fordbaker.co.nz

ATTENTION: JAMES MILNE

Dear Sir

RE: DARESBURY HOUSE, DARESBURY LANE, FENDALTON, CHRISTCHURCH

Thank you for your instructions to provide valuation advice in relation to the above property.

We understand that you are applying to have the heritage protection removed from the Daresbury Homestead and surrounds, and that our report will be used in support of that application process.

As you are aware we previously valued this property in 2018 and provided a report date of 11 November 2018 which contains a full description of the land.

We ask that letter be read in conjunction with that original report which provides a comprehensive description of the property.

In Section 11 of that report we outlined a number of value scenarios and we refer you to those in particular.

This letter updates the values that we previously assessed under a number of those scenarios to reflect current market conditions.

Please note that this report has been prepared for the above purposes only and should not be considered as a structural survey of the improvements or an engineering survey of the land.

Reliance has been placed on documentation provided to us in relation to repair costs to the homestead.

BRIEF PROPERTY DESCRIPTION

Daresbury Homestead is a substantial three level character home that offers a measured floor area of 1085 m² and was constructed between 1897 and 1901. The lower level of the home is constructed primarily of a triple brick structural system while the upper levels feature roughcast and timber cladding over a timber framing. The dwelling has a tiled roof.

The building sustained significant earthquake related damage through the Canterbury earthquake series and, of particular concern, is the structural damage to the triple brick lower level walls where cracking damage is severe.

When we last valued the property in 2018, we did not inspect the interior of the building having been provided with a structural assessment report that advised the property could "suffer a significant and devasting collapse in another large earthquake event".

The writer had, however, fully inspected the property during the mid 2000s when completing a valuation while the property was in previous ownership.

We have no access to the valuation report we completed in the mid 2000's but recall the inspection well.

The structural damage to the building resulting from the Canterbury earthquake series is visually obvious from the exterior.

The dwelling and the dwelling surrounds are identified in the Christchurch District Plan as being a Category 1 highly significant heritage building while the property is also contained within the Heritage New Zealand List under entry number 3659.

Heritage New Zealand records it as a Historic Place Category 1 with that listing in effect from 4 April 1985.

Heritage New Zealand identifies the legal description of the property as Lot 2 Deposited Plan 49363 which is effectively the larger of the two titles making up this property with Lot 2 alone having a land area of approximately 5893 m².

VALUATION CONSIDERATIONS

Scenario 1

Value of Daresbury House in fully repaired state assuming its current layout and a land area of 5,893 m²

Land Value Component

In assessing the value of the property on an assumed fully repaired condition, we have firstly considered the underlying vacant land value of the block recognising the substantial nature of the site and its subdivision potential particularly if the existing dwelling is removed and assuming that the heritage protection on the dwelling and setting was also lifted.

We have concentrated on the land area of 5,893 m² that makes up the Lot 2 title. Excluding driveway area, this lot has a Net Land Area of approximately 5,710 m².

The land sales comparisons we have considered in this case include the following:

St No	Address	Sale Date	Sale Price	Land Area	Net Land Value	LV Rate	FMA
				Net		per m2	
95	Glandovey Rd	Nov-22	\$1,060,000	816	\$1,060,000	\$1,299	Yes
88B	Hinau St	Jun-23	\$1,170,000	855	\$1,170,000	\$1,368	No
3	Verran Pl	Feb-23	\$880,000	607	\$880,000	\$1,450	No
1	Jacksons Rd	Jul-23	\$1,215,000	827	\$1,215,000	\$1,469	Part
104	Glandovey Rd	Apr-22	\$4,500,000	3021	\$4,500,000	\$1,490	Yes
71	Glandovey Rd	Apr-23	\$1,220,000	809	\$1,220,000	\$1,508	Yes
13	Fulton Ave	Sep-22	\$1,014,615	662	\$1,220,000	\$1,843	No
10	Thornycroft St	May-23	\$1,460,000	819	\$1,435,000	\$1,752	Yes
Lot 2/67	Fendalton Rd	Dec-22	\$1,900,000	1081	\$1,900,000	\$1,758	Yes
24	Holmwood Rd	Feb-23	\$2,175,000	1234	\$2,175,000	\$1,763	Yes
36	Leinster Rd	Jun-23	\$1,500,000	658	\$1,250,000	\$1,900	No
8	Jacksons Rd	Jul-23	\$2,200,000	1148	\$2,200,000	\$1,916	No
Lot 1/67	Fendalton Rd	Dec-22	\$1,300,000	620	\$1,300,000	\$2,097	Yes
31	Fendalton Rd	Jun-21	\$7,600,000	3050	\$7,600,000	\$2,492	Yes
17	Desmond St	Dec-22	\$2,260,000	857	\$2,260,000	\$2,637	Yes
21	Helmores Lane	Jan-23	\$2,945,800	1040	\$2,945,800	\$2,833	No

For reference the meaning of the column headings are as follows:

Land Area Net - The area of the site excluding driveways areas of rear lots.

Net Land Value - The analysed land value excluding the value of any retainable improvements.

LV Rate per m2 – The land value rate per guare metre of Net Land Area.

FMA - Whether the property is situated with a Flood Management Area as shown on the Christchurch District Plan.

A number of these properties included dwelling or other building improvements that offered added value to the property over and above their bare land value.

Where that is the case these, the estimated value of these improvements has been identified in the improvements value column above.

The balance were properties that were either sold as vacant land or were developed with poor quality dwellings and those improvements were considered top offer no added value to the sites.

The table above is arranged in ascending order of land value per square metre and gives a good indication of the land value rates that are now being achieved in the Fendalton suburb.

On a direct comparison basis with the available evidence, we believe a standard size site of say 1000 m² in this location would currently achieve a sale price of between \$1,700/m² and \$1,800/m² as a conventional regular shaped front allotment.

A site with additional enhanced features such as a stream boundary would achieve a higher overall rate.

There is little sales evidence available that pertains to sites of a size that can be directly compared with the subject however the two largest sites included in our sales schedule above one at 3021 m², one at 4048 m² appear to show land value rates that were roughly in line with the rates being achieved by considerably smaller surrounding sites.

3

Our analysis of the 31 Fendalton Road sale is based on a net land area of approximately 3050 m² recognising that a substantial portion of the titled land in that property was in fact located under the Avon River which infringed into the rear boundary of the site.

In many respects the 31 Fendalton Road property is the most comparable to the subject having a good quality stream boundary and large land area. That sale did however occur at the peak of the post-COVID boom market.

On balance, we have made a small value adjustment for the size of the Daresbury block and believe that a realistic land value rate for a block of this size in this location would currently be between \$1,500/m² and \$1,600/m² indicating a bare land value if the site was vacant, was not subject to any Heritage protection and could be subdivided without restriction if desired, of between \$8,550,000 and \$9,150,000 including GST.

If subdivision was not possible because of the Heritage protection applying to the property, that bare land value component would be significantly reduced.

Added Value of Building Improvements - Daresbury House

In this scenario we have considered the added value that Daresbury House would offer to the property if it was free of heritage protection and was in an undamaged state but appointed to the standard noted when last inspected ie slightly dated fitout, tidy presentation.

A proven approach to determining the added value of building improvements is to analyse sales evidence of similar quality homes in order to isolate the improvement value from the total property sale price by deducting the land value component in that price.

The added value rate that each dwelling is then analysed on a per square metre of floor area basis. This is known as the net rate or added value rate for the dwelling alone.

Given the very substantial floor area associated with Daresbury House and its interesting character nature, we have concentrated on larger character homes that have sold in the Christchurch or wider Canterbury market over recent years.

All of these sales have been analysed to isolate the added value of the house after deducting a fair land value from the purchase price and making deductions for site improvements including outbuildings, swimming pools, tennis courts, landscaping etc.

St No	Address	Sale Date	Sale Price	Land Value	Land Area	Floor Area	Net Rate	Apprx Age
82	Bealey Ave	Jul-21	\$4,150,000	\$2,700,000	1,813	876	\$1,513	1860
5	Queens Ave	Mar-23	\$2,100,000	\$1,500,000	823	284	\$1,690	1910s
397	Worsleys Rd	May-22	\$2,700,000	\$1,100,000	107580	600	\$2,167	1920s
509	Bangor Rd	Nov-20	\$2,930,000	\$1,000,000	127686	660	\$2,167	1910s
76	Harakeke St	Jul-21	\$2,800,000	\$1,300,000	953	526	\$2,567	1920s
11	Jacksons Rd	Jul-22	\$2,450,000	\$1,650,000	869	273	\$2,747	1910s
16	Chapter St	Dec-21	\$5,100,000	\$2,700,000	1545	417	\$5,036	1910
32	Knowles St	Apr-22	\$3,250,000	\$1,500,000	985	325	\$4,923	1910s
48	Matai St	Nov-21	\$7,850,000	\$2,000,000	1,304	747	\$7,282	Mixed

A summary of our analysis of other sales is set out below for your information.

Again the net rates are sorted in ascending value.


All of the properties were sold in good condition, some having undergone very extensive refurbishment programs prior to sale.

A brief description of each of these properties is below.

82 Bealey Avenue

This is a property known as 'Elizas Manor House', is a Category 2 listed property and is a substantial building with a floor area in excess of 870 m² and an appealing character design. It offers eight bedrooms of accommodation plus self contained manager's accommodation.

5 Queens Avenue

This is a refurbished two level weatherboard character home presented and appointed to a very high standard.

397 Worsleys Road

This is a substantial 1920s vintage character home on an elevated hill site in Cashmere, the home of stone and vertical board construction and the house retains many of its original character features but again with a high quality of refurbishment to the dwelling including the kitchen and bathroom areas.

509 Bangor Road

This is a substantial two level character villa in the Darfield area and on a well established and landscaped rural block.

11 Jacksons Road

Found in a central Fendalton location, this is a substantial two level weatherboard character home that was sold in reasonably tidy condition, the bathroom areas have been modernised at some time in the recent past although the kitchen was relatively aged. This was a five bedroom, three bathroom home built in the 1910s.

32 Knowles Street

A two storey character home of weatherboard and iron roof construction, substantial in nature and again a property that had been refurbished to a high standard prior to sale.

16 Chapter Street

This is a substantial and appealing two storey character home offering a five bedroom two bathroom layout and refurbished to a high standard prior to sale.

The property had previously sold in 2016 on an 'As Is - Where Is' basis, was subsequently upgraded and then onsold.

76 Harakeke Street

This is a three level weatherboard character residence situated a short distance from the subject property. It has a five bedroom, four bathroom configuration and again was sold in a highly refurbished state with extensive site improvements. This sale is relatively historic and was analysed using land values that were realistic at the time of sale.

48 Matai Street West

This is the original John Brittan dwelling which was very unusual with a large central solarium area with indoor pool. The home had been upgraded to a high standard by the vendors. There was a very substantial modern outbuilding that included large garaging and storage rooms at ground level and a self contained high end one bedroom cottage above. The property sold at the peak of the market with very competitive bidding. It achieved the highest sale price to our knowledge of any character home in Christchurch.

Looking at these analysed sales comparisons, all are significantly smaller homes than Daresbury House, which is a very substantial building and we believe slightly over-sized for the requirements of our market.

Overall, we would expect the more dated presentation of Daresbury House when compared to the majority of the sale listed above to result in a lower Net Rate value for the building.

We would expect the added value of the dwelling if hypothetically available for sale in an undamaged or repaired condition without being subject to any Heritage protection, to be in a net rate range between \$2,500/m² to \$3,000/m² indicating a potential added value of the dwelling to the site of between \$2,700,000 and \$3,250,000.

Any purchaser would then face a significant refurbishment program to bring the interior particularly up to a more acceptable marketable standard.

At that point it is conceivable that the net rate would increase to between \$4,000/m² and \$4,500/m² depending on the level of upgrading.

That would suggest a maximum added value for the dwelling of between \$4,300,000 and \$4,900,000.

Impact of Heritage Protection on land value and building value

There are very few recent examples of Heritage protection buildings that have sold from which to gauge the impact of the Heritage protection on the sale price.

It is interesting to note however that in the net rate table above the lowest net rate was achieved by 'Elizas Manor House' at 82 Bealey Avenue which was a well presented property with a Category 2 Heritage Protection.

To the best of our knowledge, none of the other character dwellings noted in our sales schedule above were heritage protected.

Another interesting comparison can be drawn from a property at 104 Glandovey Road which sold on an 'As Is – Where Is' basis in September 2015 for a consideration of \$1,610,000 at which point there where several protected trees on the site and the dwelling, known as Graystone, was also protected.

The Heritage protection on this badly earthquake damaged house was later lifted after the owner of the property successfully presented submissions to judicial review of the Heritage listings in the Christchurch District Plan.

The subsequent sale of the property at \$4,500,000 for redevelopment shows a very substantial increase over the original purchase cost.

Over a similar time period, land values for high value sites in Fendalton effectively increased approximately 100% from 2015 to 2023.

The two sales of 104 Glandovey Road show a value growth of approximately 180% over the same time frame which suggests that the 104 Glandovey Road property benefitted from the lifting of the original Heritage protection.

As we summarised in our November 2018, report there is historical sales data pertaining to Heritage protected dwellings and analysis of those sales often indicates that the dwellings offered a negative value as opposed to the underlying land value as opposed to enhancing the value of the underlying land.

In effect, the Heritage protected dwellings in those transacting were reducing the underlying land values by restricting the optimum redevelopment of the land.

This should also be the case with Daresbury House particularly as the house surrounds are also subject to that protection.

Repair Cost

As noted previously Daresbury House is very badly damaged as a result of earthquake damage, has been assessed by Structex Metro as being in a very dangerous condition and their opinion is that it would be very concerning if the house was able to be accessed by unauthorised people.

We have previously been provided with a quantity survey report completed by Rawlinsons Limited which was prepared 21 October 2016 and estimated the total repair cost for Daresbury House at \$3,460,000 excluding GST or approximately \$3,980,000 including GST.

That costing estimate document indicated that a number of exclusions were made from the total repair cost estimate including upgrading of the kitchen, the cost of any building consents, relevelling of the timber floors and structural supports to the first and second floors together with the added cost of any requirement to include an elevator or other items now required to meet the building code for disabled access.

Their assessment also excluded any cost that could be required to upgrade the existing drainage services.

On that basis, if those additional costs were added to the 2016 repair cost, it is likely to produce a total repair cost well in excess of \$4,000,000 including GST.

We have been provided with a more recent estimate of the repair cost prepared by James Milne in February 2019.

That document identifies that the quotation was being prepared to reflect an engineering design by Quion to repair the building to 100% of the current building code.

This cost estimate totals \$7,890,000 including GST after allowing for margins, contingences and fees.

We appreciate that Mr Milne being the director of Daresbury Limited may not be an impartial assessor whereas the 2016 assessment was completed by an outside company.

It is outside our area of expertise to verify whether the latest quantity survey costs are correct however there has been a very significant increase in building cost in the period from October 2016 (when the Rawlinsons report was completed) to the present.

As a check on the level of cost increases over that period, we have considered the overall building cost rates that FordBaker applied to reinstatement insurance valuations in October 2016 and compared those to the current costings FordBaker are using in our latest insurance assessments.

The percentage increase in our costings between October 2016 to the present is approximately 49%.

Our costing are sourced from actual building costs.

If we applied a 49% increase to the original Rawlinsons repair cost quote of around \$4,000,000, that would be equivalent to at least \$6,000,000 including GST in the current cost environment.

The added cost of any of the items excluded from their original assessment would then need to be included...

We would expect therefore that the current repair cost should be in excess of \$6,500,000.

When comparing that level of cost with the end value of the property if fully repaired, which we have estimated previously at between \$4,300,000 and \$4,900,000 as a maximum, it is clearly not viable for the existing dwelling to be fully repaired.

Anyone completing the repairs is likely to face a shortfall in excess of \$2,000,000 from that process.

FINAL CONCLUSION

We have estimated that the added value of Daresbury House on a fully repaired basis assuming it was sold on an unencumbered site would be a maximum of approximately \$4,900,000 over and above land value.

This is significantly lower than the likely repair cost in the current market and suggests to us that completing the required repairs to the dwelling would result in a significant shortfall.

Historically properties offered to the market and sold with Heritage New Zealand or Christchurch City Council protection have been discounted in the marketplace due to the additional cost and complexity that is normally associated with completing any upgrading works.

One notable exception is a property at 83 Clyde Road, llam that sold in February 2019 for a consideration of \$4,500,000, that property being the original Kate Sheppard House.

It was purchased by Heritage New Zealand.

There is clearly no financial incentive for the owner of this property to complete the repairs that are necessary to reinstate Daresbury House and to justify the cost of those repairs, any owner would need a significant level of financial assistance from Heritage New Zealand.

Further, the extension of the Heritage Protection to encompass both Daresbury House and its surrounds would appear to have a significant negative impact on the underlying land value of the site given that the highest and best use of a site of this magnitude is generally for subdivision into smaller parcels. Such a subdivision appears to be prevented by the Heritage protection,

The property would have a high underlying land value for subdivision but a constrained value if it had to be retained as a single house site.

That value would be further constrained if Daresbury House was retained in its current condition and in its current positioning on the land.

We trust that this will be of assistance to you however should any additional information be required you should not hesitate to communicate with the writer.

Yours faithfully FORDBAKER VALUATION LIMITED

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Involvement: Inspection Valuation Calculation **Report Preparation**

fordbaker valuation https://fbvaluation.sharepoint.com/sites/Company/Shared Documents/JDrive/Mark/daresbury.ltr23ms.docx

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 David Alan Pearson for Daresbury Limited (Heritage)

Dated: 20 September 2023

Reference: Jo Appleyard (jo.appleyard@chapmantripp.com) Annabel Hawkins (annabel.hawkins@chapmantripp.com)

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STATEMENT OF EVIDENCE OF DAVID ALAN PEARSON FOR DARESBURY LIMITED

INTRODUCTION

- 1 My full name is David Alan Pearson.
- 2 I graduated from the University of Auckland in 1973 with the degree of Bachelor of Architecture. I am currently a registered architect and an Associate of the New Zealand Institute of Architects.
- 3 In 1996, I established my own architectural practice with the aim of specialising in heritage and conservation architecture. I have also attended specialist conservation courses at the University of York in the UK. Today, I remain principal of the firm, now known as DPA Architects.
- 4 Since it was established, DPA Architects has grown in size to a staff of 13 and conservation architecture continues to be the mainstay of the firm's work. Over the years, a number of our projects have been recognised by the receipt of various awards from institutions including the NZ Institute of Architects and UNESCO.
- 5 In the aftermath of the Canterbury earthquakes of 2010-2012, DPA Architects was extensively involved in numerous projects throughout Canterbury extending from Waiau in the north down to Timaru. These generally required earthquake remediation and seismic upgrading work.
- 6 In particular, I acted as the heritage architect for the \$400m reconstruction and refurbishment project at the Arts Centre of Christchurch for a period of 10 years between 2012 and 2022.
- 7 On other projects, I have acted as both heritage and project architect. Projects of note included various churches such as St Barnabas in Fendalton, St Patrick's in Akaroa and St Bartholomew's in Kaiapoi. DPA Architects also oversaw the reconstruction of the Lyttleton Timeball and the restoration and structural upgrading of the Hurunui Hotel in North Canterbury. I have also acted as the heritage architect for the restoration of the former Midland Club and the former Public Trust buildings, both in Oxford Terrace.
- 8 Currently I am acting as the on-site heritage architect for the comprehensive redevelopment of the Canterbury Museum which includes the structural upgrading of the nineteenth century buildings on the site and the Robert McDougall Art Gallery at the rear. I am also the resident heritage architect for the restoration and structural upgrading project of the Old Municipal Building located in Oxford Terrace.

9 My experience also includes appearances at numerous council and local authority hearings and I have previously appeared as a witness in the Environment Court.

CODE OF CONDUCT

10 Although this is a local authority hearing, I have read the Environment Court's Code of Conduct for Expert Witnesses in its Environment Court Practice Note 2023 and I agree to comply with it. My qualifications are set out above. I confirm that the issues addressed in this statement of evidence are within my area of expertise. I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed.

SCOPE OF EVIDENCE

- 11 My evidence includes the following sections:
 - 11.1 An outline of my involvement with Daresbury from 2018 to the present day.
 - 11.2 An outline of my understanding of the efforts that have been made to retain and restore Daresbury.
 - 11.3 A description of the existing heritage protection of Daresbury.
 - 11.4 Brief summary of the history and architectural style of Daresbury.
 - 11.5 A summary assessment of its existing heritage values.
 - 11.6 A summary of its present condition.
 - 11.7 Work that would be required to structurally upgrade the building.
 - 11.8 Other requirements to comply with the Building Code.
 - 11.9 Requirements of the Christchurch District Plan.
 - 11.10 Response to Council section 42a report and Statements of Evidence.
 - 11.11 Conclusion.

DOCUMENTS VIEWED

- 12 In preparing this evidence I have read the following statements:
 - 12.1 Statement of Primary Evidence of Ms Amanda Ohs on behalf of the Christchurch City Council dated 11 August 2023.

- 12.2 Statement of Primary Evidence of Mr William Fulton on behalf of the Christchurch City Council dated 11 August 2023.
- 12.3 Statement of Primary Evidence of Mr Gavin Stanley on behalf of the Christchurch City Council dated 11 August 2023.
- 12.4 The relevant sections of the s42A report that relate to Daresbury as prepared by Ms Suzanne Richmond.

SUMMARY OF EVIDENCE

- 13 My evidence is summarised as follows:
- 14 Daresbury is currently scheduled as a Highly Significant heritage item in the Operative Christchurch District Plan.
- 15 The building suffered substantial damage in the Canterbury earthquake sequence and proposals to structurally upgrade the building have been commissioned.
- 16 Over the past five years, Mr Milne has attempted to find ways in which the building could be structurally upgraded and restored, however, assistance funding as sought from a number of providers has not been forthcoming.
- 17 As part of PC14, Mr Milne's company, Daresbury Limited, has made a submission to have the building delisted as a historic heritage item. This would potentially enable the building to be demolished.
- 18 The building is currently scheduled as a 'Highly Significant' historic heritage item in the Christchurch District Plan. However, the work that would be required to structurally upgrade the building would involve the replacement of a substantial amount of heritage fabric to the point where much of the building is likely to be largely a replica.
- 19 Nevertheless, while the building, in my opinion, would have a reduced level of integrity and authenticity, I consider that it would still retain a level of significance and it may be appropriate for it to be rescheduled as a 'significant' heritage item.

MY INVOLVEMENT WITH DARESBURY

20 The building known as Daresbury suffered extensive damage in the Canterbury earthquakes of 2010- 2012 and has remained unused since that time due to the inherent danger of further damage and potential collapse from aftershocks. In particular, the chimneys that had previously been strengthened in a way that is no longer considered to be good practice, collapsed, causing extensive damage to the roof. Considerable damage was also caused to the external brickwork. I will provide additional detail regarding the condition of the building later in my evidence.

- 21 I was first engaged by Mr Milne in 2018 to provide heritage and technical advice as to how Daresbury might be retained and restored. In 2019, I prepared a detailed heritage assessment of the building which also included a schedule of the evident defects and proposed remedial work. In the same year, I assisted Mr Milne as he sought financial assistance from organisations such as Heritage New Zealand Pouhere Taonga (*HNZPT*), the Christchurch City Council and Equip, an organisation set up specifically to financially assist earthquake damaged privately owned buildings.
- 22 In the case of HNZPT, the application was unable to be approved as their funding was limited in the amount available and the government had strict guidelines as to priorities for distribution. Similarly, the Christchurch City Council was unable to assist as the Council's heritage funding had all been allocated to another project. Funding could have been available through the Equip fund, however, a building had to be assessed as being earthquake prone to be eligible. Unfortunately, only commercial buildings could be classified by the local authority as being earthquake prone. In this case, the Christchurch City Council was unable to apply that definition to Daresbury which was deemed to be a residential building rather than a commercial building.

EFFORTS TO RETAIN DARESBURY

- 23 Over the years, Mr Milne has continued in his efforts to retain and restore Daresbury. DPA Architects was retained to prepare a Heritage assessment of the building in which an assessment was made of its heritage values and also its material condition. A Structural Assessment Report for the building was then prepared by Quoin Structural Consultants. That report outlined the form and construction of the building, the geotechnical conditions on the site, the damage caused by the earthquakes, an assessment of the current earthquake strength of the building and recommendations for structural repairs.
- 24 In summary, the Quoin assessment concluded that areas of the building that were less damaged were earthquake prone with an undamaged strength of 13% NBS (that is 13% of the strength that a new building would be expected to achieve) not taking into account areas that had failed which would have a lower %NBS. Later in my evidence, I will describe in more detail the structural interventions that might be required and their impact on the heritage values of the building.
- Following the completion of the structural report, Mr Milne prepared a detailed summary of the likely costs of restoring Daresbury which was subsequently reviewed by Stewart Harrison Quantity Surveyors. At that stage the estimate of costs for a Reduced Repair Option was \$5,419,124 excluding GST. Rhodes and Associates, on behalf of Council, has since adjusted the figure to include escalation to give an increased estimate of \$6,875,781.

- 26 Mr Milne then had the building electronically scanned which enabled DPA Architects to create a comprehensive three dimensional architectural model. This work ensured that a detailed electronic record of the building will survive for the future. At the same time further efforts were made to determine ways in which the building could be retained either in the form as it currently exists or alternatively, if partial retention might be an option.
- 27 Mr Milne also subdivided an area that he owned on the eastern side of the Waimairi Stream into five lots with intention being that income generated from the sale of those lots could be used to assist in the funding of the restoration of Dewsbury. Unfortunately, with the advent of Covid, subsequent economic downturn and slowing down of activity in the domestic sector, this proposal has not proved possible to implement. Efforts were also made to determine if a new use could be found for the building, such as a private hotel. Again these efforts did not come to fruition.
- 28 In summary, Mr Milne's original proposal was to see Daresbury structurally upgraded and restored to accommodate a new use. However, after many years of trying to find a use for the house and having sought funding from various sources, all to no avail, Mr Milne is now seeking to have the house delisted. He acknowledges that should the house be delisted, the way would then be open for it to be demolished without a resource consent being required. As stated in the submission made on behalf of Daresbury Limited, PC14 provides an opportunity to remove some of the listed items so they are able to be demolished where appropriate and consistent with Policy 9.3.2.2.8.

HERITAGE LISTINGS

Heritage New Zealand Pouhere Taonga

- 29 The building is listed by HNZPT as a Category 1 Historic Place, Register number 3659. It was first listed on 2 April 1985. This means it is considered to be a place of outstanding historical or cultural significance.
- 30 Although an exact date of construction has not been determined, the house is believed to have been built between 1897 and 1901. Consequently, Daresbury is recorded as an archaeological site within the ArchSite recording scheme (M35/2152), being the place of human activity prior to the year 1900.

Christchurch District Plan

31 The dwelling and setting are included in the Christchurch District Plan Appendix 3 Schedule of Heritage Items as a Group 1 - Highly Significant Heritage Item (heritage item number 185, heritage setting number 602). The interiors of the building are not included in the listing.

BACKGROUND

Historical Account

- 32 Daresbury was built for George Humphreys, a prominent Christchurch businessman and co-founder of wine and spirits merchants, Fletcher Humphreys. The three-storey house was designed with a total of 40 rooms and, as noted, was constructed between 1897 and 1901.
- 33 The name 'Daresbury' came from Humphreys' wife's house in Scotland but is also a village and civil parish in Cheshire, England, which features many buildings of similar design. Daresbury then remained in the hands of the Humphrey family until 1985. Various changes have occurred to the building over time, the most obvious being the addition of the billiard room in the southwest corner and the verandah on the north face. The interior has also been remodelled on a number of occasions.

Architectural Style

- 34 The lower storey is built of brick, and the upper storey is half timbered. It was designed by Samuel Hurst Seager (1855-1933) who was an important New Zealand architect. He was also one of the first to seek to design buildings with a specifically New Zealand character, although ironically, Daresbury has its roots very much in rural England.
- 35 With its half-timbered gables, cantilevered upper floor, leadlights, tiled roof and tall brick chimneys, Daresbury is characteristic of a number of houses in Christchurch designed for affluent professionals around the turn of the century. The style of such houses had its origins in the Arts and Crafts movement in Britain which sought to use traditional construction techniques as a reaction against the increasing use of machines. New Zealand-based architects who had trained in, or immigrated from, Britain were then strongly influenced by the style which found ready acceptance amongst the well-to-do in Christchurch.

ASSESSMENT OF SIGNIFICANCE

36 The significance of Daresbury was evaluated in the heritage assessment prepared in 2018 by DPA Architects, using the criteria in the Christchurch District Plan for assessing significance. The assessment was also based on the 2014 Statement of Significance for Daresbury written by the Christchurch City Council. I have condensed that assessment as follows:

Historical and Social Significance

37 Daresbury is a significant Christchurch homestead associated with many notable historical figures including two governors general, an Archbishop of Canterbury and the future King George VI. The place also demonstrates the history of land development in Christchurch where larger blocks of land were subsequently subdivided into smaller plots.

Cultural and Spiritual Significance

38 The place demonstrates the changing cultural traditions and patterns of domestic lifestyles for affluent Christchurch citizens over time, as well as the preference towards traditional 'British' architectural styled houses for those who could afford them. In particular, Daresbury provides evidence of the domestic lifestyle of a family of a high socio-economic standing.

Architectural and Aesthetic Significance

39 The place is a notable example of the English Arts and Crafts style which sought a return to traditional building techniques. Its architect, Samuel Hurst Seagar was a leading proponent of the style.

Technological and Craftsmanship Significance

40 Daresbury is notable for the quality of the craftsmanship evident in the building and for the use of materials such as brick at the lower level, timber and pebble dash for the half-timbered upper storey and clay tiles for the roof. The building is also known for the quality of its internal work.

Contextual Significance

41 Daresbury made a significant contribution to the character of the surrounding area as a substantial house located on a large piece of land which at one time included extensive gardens on the banks of the Waimairi Stream which flows through the property.

Archaeological and Scientific Significance

- 42 Daresbury and its setting have the potential to provide archaeological evidence of past human activity, along with information regarding past building construction techniques.
- 43 In my opinion, Daresbury in its post-earthquake form still retains significance under each of the criteria, however, as I will explain later, I believe that the building's heritage values in some categories have been eroded and will be further compromised if the work to restore and structurally upgrade it were to be carried out.

CONDITION OF THE BUILDING

44 My earlier heritage assessment included a description of the defects that were evident in the house, the majority being caused by the Canterbury earthquakes. Prior to the earthquakes, a major component of the roofscape was a group of six decorative brick chimneys. At some time in the past, the chimneys were filled with concrete in a mis-guided effort at strengthening them. The chimneys subsequently collapsed in the earthquakes causing extensive damage to the tiled roof.

- 45 The lower level of Daresbury is sheathed with bricks that were made at Homebush in Canterbury. The walls comprise an outer and inner wythe or skin of brickwork with a cavity between. Earthquake damage included uneven settlement of the foundations leading to damage to the brickwork which included crushed and fractured bricks, movement along mortar lines and outward displacement of bricks. At the upper level, the external walls which comprise timber framing with brick infills (known as brick nogging) overlaid with a pebble dash plaster were also damaged.
- 46 Internally, cracks have appeared in plaster walls and ceilings and floors have become uneven as the house has moved. However, the greatest damage inside the building occurred following the collapse of the chimneys which left holes in the roof. Although efforts were made to temporarily waterproof the building, water continued to find its way into the building where it has affected timber panelling and other fabric with extensive dry rot, mould and fungal growth being prevalent throughout the house.

STRUCTURAL REQUIREMENTS

Structural Assessment

- 47 As previously described, the structural report by Quoin concluded that less damaged areas of the building were earthquake prone with an estimated strength of 13% NBS, while failed areas would have a % NBS that was lower again. The Quoin assessment identified the following earthquake related defects:
 - 47.1 Extensive cracking including vertical, horizontal and diagonal cracks through all brickwork.
 - 47.2 Lateral displacement of brickwork where partial collapse could occur in a moderate to large earthquake.
 - 47.3 Differential settlement of the foundations.
 - 47.4 Unevenness in the floor and first floor level.
 - 47.5 Collapse of the all the brick chimneys.
 - 47.6 Cracks in internal wall linings.
 - 47.7 Cracking of the exterior cladding at the upper level sheathing, allowing moisture ingress.
 - 47.8 Damaged roof tiles from chimney collapses.
 - 47.9 Other damage to elements and finishes.

Structural Repairs

- 48 In the following section, I provide a brief summary of the repair work that Quoin consider is required to remedy the damage caused by the earthquake and to upgrade the building to 67% NBS.
 - 48.1 Brick walls. The Quoin recommendation was for the majority of the external brick walls at ground floor level to be deconstructed and rebuilt as a single brick width veneer on a timber frame.
 - 48.2 Chimneys. Quoin recommends that the chimneys be deconstructed down to ground level and rebuilt as lightweight structures. The exposed sections of the chimneys could be rebuilt with a brick veneer on steel trussed frame.

48.3 Foundations:

- (a) Existing foundations. The Quoin structural report recommends that the existing foundations be removed in their entirety and replaced with new reinforced concrete foundations to which the new timber framed walls and bracing elements can be fixed.
- (b) Chimney bases. The existing chimney bases should be removed and replaced with new reinforced concrete foundations beneath the steel braced frames that support the reconstructed chimneys.
- 48.4 Exterior plaster clad walls. The Quoin report recommends that the badly damaged areas of plaster and brick infills at first floor level be removed and replaced with a compliant weathertight cladding system. Such a system is likely to require a cavity and then be detailed with timber and decorative plaster to match the existing appearance.
- 48.5 Interior wall finishes. Quoin recommended that all heavy brick walls and chimneys be replaced with lightweight construction and all internal plaster surfaces be replaced with plasterboard rated for its bracing capabilities.
- 48.6 Earthquake strengthening and steel frames. The structural report recommends the provision of additional steel columns and frames along with additional roof bracing to enable the building to achieve 67% NBS. The Quoin proposal makes the assumption that the roof tiles will be replaced as part of the repairs.
- 48.7 Interior ceiling finishes. Quoin advises that ceilings will need to be removed to inspect ceiling framing and to fix diaphragms and recommends removal and replacement of ceilings other than the timber dining room ceiling. Although

the interior is not included as part of the scheduled item, the building contains features and finishes of historic interest.

- 48.8 Ground floor and foundation levelling. Foundations and floors throughout the building should be relevelled.
- 48.9 Non-structural elements and fixtures. The Quoin report also makes mention of repairs being required to non-structural elements and fixtures including windows and doors, internal joinery, floor finishes, fireplace surrounds, spouting and downpipes, plumbing and services and reinstatement of bathroom and kitchen finishes following structural upgrading work.

Comment on Proposed Structural Interventions

- 49 The structural upgrading and repairs recommended by Quoin are obviously very extensive and highly invasive and have contributed to the high estimated cost of the work as much of the building would effectively need to be rebuilt. In particular, the external walls throughout the building would need to be reconstructed on new foundations.
- 50 At ground floor level it is likely that much of the external brickwork could be salvaged and reused as the bedding mortar used for the bricks was lime based and easily removed. At first floor level, the external plaster pebble dash and brick nogging is proposed to be removed, to be replaced with a "compliant weathertight cladding system" which may have an impact on the detailing elsewhere on the building. Window surrounds, for example, may need to be redesigned. This could result in the upper levels of the building effectively being a replica of the original.
- 51 The Quoin report also suggests that the roof tiles will be replaced as part of the repairs. In fact, although a number of the roof tiles were broken when the chimneys collapsed, the majority of the roof tiles may be able to be salvaged.

OTHER REQUIREMENTS TO COMPLY WITH THE BUILDING CODE

- 52 Daresbury in its current form does not comply with the Building Code. In particular, the house is generally uninsulated and the windows are only single glazed. The house would, at least, need to be insulated and the windows potentially double glazed.
- 53 Although, in some instances, heritage windows can be retrofitted to accommodate double glazing, sometimes the sashes will need to be replaced. Whether the existing sashes at Daresbury can be double glazed has not been determined, particularly as many of them are glazed with small panes with lead cames. If the sashes do have to be replaced, it may not be possible to retain their existing

configuration with their small panes. If the sashes need to be replaced, this would further erode Daresbury's heritage values.

REQUIREMENTS OF CHRISTCHURCH DISTRICT PLAN

54 Section 9.3 of the Christchurch District Plan seeks to protect and maintain the Christchurch District's historic heritage and contains Objectives and Policies aimed to encourage this. Section 9.3.2.1.1 Objective – Historic Heritage states that this will be achieved by enabling and supporting the on-going retention, use and adaptive reuse of historic heritage. The same section acknowledges the impact that the earthquakes had as follows:

ii "recognises the conditions of the buildings, particularly those that have suffered earthquake damage and the effect of engineering and financial factors on the ability to retain, restore and continue using them, and

iii "acknowledges that in some situations demolition may be justified by reference to the matters in Policy 9.3.2.2.8.

55 Section 9.3.2.2 of the Christchurch District Plan sets out the historic heritage policies. Daresbury is currently scheduled as a 'Highly Significant' (Group 1) historic heritage place. Policy 9.3.2.2.1 identification and assessment of historic heritage for scheduling in the Christchurch District Plan, sets out the requirements for a place to be scheduled. For a building to be categorised as meeting the level of 'Highly Significant' (Group 1), the historic heritage is required to:

A. meet at least one of the heritage values in Appendix 9.7.3.1 at a highly significant level; and

B. be of high significance to the Christchurch District (and may also be of significance nationally or internationally), because it conveys important aspects of the Christchurch District's cultural and historical themes and activities and thereby makes a strong contribution to the Christchurch District's sense of place and identity; and

C. have a high degree of authenticity (based on physical and documentary evidence); and

D. have a high degree of integrity (particularly whole or intact heritage fabric and heritage values).

- 56 Appendix 9.3.7.1. Lists the criteria for assessment of significance of heritage values. The criteria are:
 - 56.1 Historical and social value
 - 56.2 Cultural and spiritual value

- 56.3 Architectural and aesthetic value
- 56.4 Technological and craftsmanship value
- 56.5 Contextual value
- 56.6 Archaeological and scientific significance value.
- 57 Prior to the earthquakes, in my opinion, Daresbury clearly met the threshold for being scheduled as a Highly Significant historic heritage item, having significance under each of the criteria for assessment of significance of heritage values listed in Appendix 9.7.3.1.
- 58 In particular, the place was of high significance to Christchurch as it conveyed important aspects of the district's cultural and historical themes and activities and made a strong contribution to the Christchurch District's sense of place and identity. It also had a high degree of authenticity and integrity.
- 59 Policy 9.3.2.2.1 c. seeks to schedule significant historic heritage as heritage items and heritage settings where the thresholds for Significant (Group 2) or Highly Significant (Group 1) as outlined in Policy 9.3.2.2.1 b are met and in the case of interior heritage fabric, if it is specifically identified in the schedule.
- 60 As noted above, for a heritage item to be rated as being 'highly significant' it must have a high degree of authenticity and integrity. In my opinion, the integrity of the building has been affected by the earthquakes and its integrity and authenticity would be further impacted if the work required to restore it was to be carried out.
- 61 In general, most District Plans including the Christchurch District Plan, do not include the condition of a building as a criteria for assessing its historic heritage value. The reason for that is that criteria such as historical, social and cultural are not affected by its physical condition.
- 62 However, the current Christchurch District Plan that became operative following the Canterbury earthquakes differs from most other district plans in that while Policy 9.3.2.2.1 c proposes to schedule historic heritage where the thresholds are met, it includes the following conditions which may lead to buildings being excluded from being scheduled:

unless

iii the physical condition of the heritage item and any restoration, reconstruction maintenance repair or upgrade work would result in the heritage values and integrity of the heritage item being compromised to the extent that it would no longer retain its heritage significance; and/or *iv* there are engineering and financial factors related to the physical condition of the heritage item that would make it unreasonable or inappropriate to schedule the heritage item.

63 Policy 9.3.2.2.8 sets out a number of matters to be considered whether it is appropriate to demolish a heritage item. These include:

ii. Whether the extent of the work to retain and/or repair the heritage item is of such a scale that the heritage values and integrity of the heritage item would be significantly compromised;

iii whether the costs to retain the heritage item, (particularly as a result of damage) would be unreasonable;

iv the ability to retain the overall heritage values and significance of the heritage item through a reduced degree of demolition; and

- v. the level of significance of the heritage item.
- 64 As noted, I consider that the heritage values and integrity of Daresbury have been compromised as a result of earthquake related damage and may be further compromised if the work to restore and strengthen the building as recommended was ever to be carried out. In my opinion, however, the building would still have heritage value under other criteria, although a further assessment may result in it being assessed as a 'significant' rather than a 'highly significant' heritage item.

RESPONSE TO COUNCIL SECTION 42A REPORTS AND EVIDENCE

- 65 I have read the Statements of Evidence of Ms Amanda Ohs, Mr William Fulton and Mr Stephen Hogg and comment as follows:
- 66 Ms Ohs in paragraph 227 of her evidence states "*it is likely that the works required would in my opinion reduce the level of technological and craftsmanship significance to 'significant; rather than 'high significance'*.
- 67 I agree with this statement. Furthermore, as previously described in my evidence, I believe that some of the other work that would be necessary would further reduce its heritage values. The replacement of the stucco finished upper walls and potential replacement of windows would, in my opinion, further impact on its architectural and aesthetic heritage values. However, I do not believe that the building would then be totally devoid of heritage values as its historical and cultural values, for example, will remain intact.

- 68 I also agree with Ms Ohs statement in paragraph 230 where she acknowledges that grants available for a privately owned building area not likely to significantly assist the owner.
- 69 I have also read the Statement of Evidence prepared by Mr William Fulton. In its present state, he believes that the building has retained its heritage values and can still be considered to be a 'highly significant' heritage item. In paragraph of his evidence, Mr Fulton considers 'the proposed reconstruction and restoration to generally be appropriate and will not compromise the heritage significance of Daresbury'.
- 70 In my opinion, the proposed work will compromise the heritage significance of Daresbury. Outwardly, the repaired building may largely retain its current appearance, however, as I have explained, the work will impact on its integrity and authenticity as the upper levels will largely be a replica.
- 71 Nevertheless, I still believe that Daresbury, should it be repaired, will still retain some of its heritage values. It will still comprise some heritage fabric and its historical and cultural values will not be affected. It may be that if the building is restored and strengthened, a rating of 'significant' rather than 'highly significant' may be more appropriate.

CONCLUSION

- 72 It is not disputed that Daresbury in its present form essentially meets the criteria for it being scheduled in the Christchurch District Plan as a 'highly significant' heritage item, due to, in particular, its historical and cultural values and its architectural and aesthetic values.
- 73 It is also not disputed that the building was significantly damaged in the Canterbury earthquakes and that work to restore and structurally upgrade it will be highly invasive, expensive and will result in large areas of the building being a replica of its original form.
- 74 Consequently, in my opinion, if the work as proposed were to proceed, there would be a loss of integrity and authenticity. Nevertheless, the building would still retain some heritage value with, for example, its historical and cultural values being largely unaffected. A reassessment of the building's heritage values may then result in it being reclassified as a 'significant', rather than a 'highly significant' historic heritage item in the Christchurch District Plan.

David Alan Pearson

20 September 2023



12 November 2024

David Randal / Cedric Carranceja

By Email david.randal@buddlefindlay.com cedric.carranceja@buddlefindlay.com

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PLAN CHANGE 14 – HERITAGE RECOMMENDATIONS FOR DECISION ON 2 DECEMBER 2024

- 1 This letter is written on behalf of Daresbury Limited who sought the delisting of Daresbury House and its setting at 67 and 67B Fendalton Road (heritage item 185 and heritage setting 602) from the District Plan's Schedule of Significant Historic Heritage Items through Plan Change 14 (*PC14*) to the Christchurch District Plan (*District Plan*).
- 2 The Christchurch City Council (*Council*) is required to notify decisions on the Independent Hearings Panel's (*Panel*) recommendations on PC14 at the latest by:
 - 2.1 20 December 2024 on parts of the recommendations subject to Policy 3 and 4 of the NPS-UD; and
 - 2.2 12 December 2024 on the remainder of the recommendations.
- 3 On 18 September 2024 the Council accepted a number of recommendations of the Panel relating to part of the City Centre Zone, associated provisions, and some qualifying matters. This included accepting recommendations on the removal of heritage items and settings from the heritage protections in the District Plan for:
 - 3.1 471 Ferry Road;
 - 3.2 137 Cambridge Terrace Harley Chambers;
 - 3.3 32 Armagh Street Blue Cottage; and
 - 3.4 65 Riccarton Road St James' Church.
- 4 The purpose of this letter is to set out our advice to our client that on 2 December 2024 the Council should reject the Panel's recommendation to retain the listing of Daresbury and its setting and to refer the rejection of that recommendation to the Minister.

THE PANEL'S DELISTING DECISIONS

- 5 The Panel in Part 5 of its Recommendation Report applies a consistent methodology to its decisions on delisting heritage items and settings by:
 - 5.1 Considering the cost of repair to the heritage item;
 - 5.2 Considering the cost of an equivalent new build;
 - 5.3 Considering the market value of the land and buildings after repair;
 - 5.4 Considering whether a reasonable landowner would repair the heritage item in light of 5.1-5.3 above to determine whether the financial reasonableness 'test' in Policy 9.3.2.2.8 has been established; and
 - 5.5 If that test is not met (e.g. the cost of repair would be unreasonable because the market value is less than the cost of repair/rebuild and the cost of the land), delist the heritage item and setting.
- 6 It is understood that all relevant submitter and Council experts agreed with this methodology.
- 7 This methodology was applied consistently by the Panel in its recommendations to delist the items and settings of the Blue Cottage at 32 Armagh Street, St James Church at 65 Riccarton Road, Harley Chambers at 137 Cambridge Terrace, and 417 Ferry Road.
- 8 These decisions were made on the evidence, applied the correct methodology, and are not susceptible to challenge. Accordingly, the Council's decision on these delisting requests was to accept the Panel's recommendations. The Council would have had no valid basis on the evidence to make a decision contrary to the Panel's recommendations.
- 9 However, in terms of the request by Daresbury Limited to remove Daresbury House and its setting from the heritage schedule, the Panel have either:
 - 9.1 Failed to apply the same methodology to that delisting request as it has to the other delisting requests noted above, and therefore has created an internal inconsistency in the Panel's own recommendations; and/or
 - 9.2 Failed to take into account relevant information (being Daresbury Limited's evidence as to the value of the land on which Daresbury sits in consideration of the matters in 5.3-5.5 above).
- 10 The evidence before the Panel on the Daresbury delisting relevant to the delisting methodology set out above (which was correctly applied to other delisting requests) was that:

- 10.1 The cost of repair of the building is in the realm of **\$8m** (based on both Council and submitter evidence).
- 10.2 The cost of an equivalent new build was also in the realm of **\$8m** (based on both Council and submitter evidence).
- 10.3 Daresbury House sits on 6,791m² of land which is also subject to a heritage setting. The underlying value of this land is **\$4.6m** with the constraints of the heritage setting.
- 10.4 Therefore, in order for a reasonable landowner to undertake the repairs to Daresbury they would need to be able to recover **at least \$12.6m** at market (being the cost of repair plus the underlying land value).
- 10.5 However, the evidence was that the market value of the repaired Daresbury is estimated at around \$6m. The Panel has not referred to that evidence in its Recommendation and therefore must be assumed to have failed to take into account that the cost of repair with the setting in place is \$12.6m but the market would only pay \$6m and as such the repair option could not be considered by any decision-makers to be reasonable as it results in a loss of \$6.6m.
- 10.6 We note by way of an aside that the Panel's decision to retain the 6,791m² heritage setting over the entire site means that the land is not capable of subdivision and development without a suite of resource consents, the outcome of which is uncertain. Daresbury sits in the middle of the site making subdivision impractical.
- 10.7 By way of comparison, if the same exercise is conducted assessing an equivalent new build of the 1,085m² house in the same location in the manner the Panel did with the other de-listings (a highly fanciful scenario in today's environment):
 - (a) The underlying value of the same land (but not subject to the heritage listing) is **\$8.6 \$9.2m**.
 - (b) Therefore, in order for a reasonable landowner to recover their costs, they would need to be able to recover **at least \$16.6m** at market (being the cost of the construction plus the underlying land value).
 - (c) The market value of such a property would be around **\$10m**, which would also result in a loss of **\$6.6m**.
 - (d) However, under such a scenario the land is capable of further subdivision and development, which could result in a greater return which would greatly assist in reducing such a loss.

- 11 The Panel, in considering the above evidence, were not convinced that the repair costs were unreasonable when all relevant factors were considered. The Panel's reasoning is that:
 - 11.1 The repair cost was similar to the cost of an equivalent new build;
 - 11.2 Subdivision consent had previously been obtained for part of the site (noting this part of the site was not included as part of the land valuation assessment); and
 - 11.3 The bare land value tempers concerns about any opportunity costs.
- 12 The Panel's decision in this respect has failed to consistently apply the same methodology it did to other delisting recommendations, or has failed to take into account relevant information (being specific parts of Daresbury Limited's evidence) in that it:
 - 12.1 Fails to acknowledge that with the retention of the 6,791m² setting, the land could not be subdivided should the heritage listing remain, and therefore could not be used to offset any costs of repair:
 - (a) The Panel in its decision on the Blue Cottage acknowledged it was not able to consider options which required resource consent due to the inherent uncertainty of the outcome of such a process. In that case, it only took into account options that could occur as of right (without resource consent) in its assessment of the methodology. Conversely, for Daresbury, the Panel appear to have assumed that the land could be subdivided and developed as of right which is wrong because the Recommendation retains the full extent of the setting.
 - (b) Similarly, the Panel in considering the equivalent new build scenario have failed to take into account that despite the cost being on the same level as the repair option, the landowner would be in a significantly better position to recoup costs, as it would be able to subdivide and develop a substantial portion of the 6,791m² landholdings unrestricted by the extensive heritage protections. Further, the Panel failed to take into account the evidence (which was not disputed) that no reasonable developer would construct a house of this size and nature today, as there is simply no saleable market for it.
 - 12.2 Fails to take into account the market valuation of the repaired Daresbury House being around \$6m, but that the costs of repair of \$8m and the land being \$4.6m leaves a shortfall of \$6.6m to the landowner. However, this was a key consideration in its recommendations in relation to the other delisting requests and in particular on the evidence presented at the St James Church and Blue Cottage hearings.

- 12.3 Fails to take into account the evidence (which was not disputed) that there have been no sales of character home properties in the Christchurch market at a price level over \$8m.
- 12.4 Fails to take into account the company evidence that there are also significant holding costs for the land which further increase the shortfall to the landowner. The holding costs would add at least another \$2m to the costs that would be incurred.
- 13 The evidence before the Panel, as with the other delisting requests it accepted, was that the cost of repair exceeds the value of the repaired building and retained 6,791m² setting, in this instance by \$6.6m. That evidence was not disputed by the Council or any other party.
- 14 Applying the same methodology the Panel applied to the other delisting requests to Daresbury house, no reasonable decision-maker could have concluded that the delisting of Daresbury did not also meet that methodology or that the financial costs of repair are reasonable under Policy 9.3.2.2.8.
- 15 Weighing up the evidence before the Panel, the only conclusion able to be reached was that no reasonable landowner would repair the building (or even construct an equivalent new build) to lose \$6.6m in those circumstances, and therefore the item and setting should be removed as it meets the financial reasonableness 'test' in Policy 9.3.2.2.8.

Request for Council in its decision-making

- 16 The above errors in the Panel's decision-making provides grounds for review under clause 108, schedule 1 of the Resource Management Act 1991 if they were adopted by Council.
- 17 Accordingly, our client requests that the Council resolves to not accept this part of the Panel's recommendations relating to the delisting of Daresbury House and its setting. We would recommend the Council provide a copy of this letter to the Minister as the reason for rejecting the recommendation.

Yours sincerely

Jo Appleyard / Lucy Forrester Partner / Senior Solicitor

RESOURCE MANAGEMENT ACT 1991 CHRISTCHURCH DISTRICT PLAN PROPOSED PLAN CHANGE 14 - HOUSING AND BUSINESS CHOICE

COUNCIL DECISION ACCEPTING OR REJECTING INDEPENDENT HEARINGS PANEL RECOMMENDATIONS SUBJECT TO POLICIES 3 AND 4 OF THE NATIONAL POLICY STATEMENT ON URBAN DEVELOPMENT AND ON FINANCIAL CONTRIBUTIONS

Christchurch City Council has made its decision on accepting or rejecting some of the Independent Hearings Panel's (IHP) recommendations on Plan Change 14 at its meeting on Monday, 2 December 2024 in accordance with Clause 101, Schedule 1 of the Resource Management Act.

Council's decision only applies to areas within or adjacent to commercial centres across the Christchurch urban area, including Lyttelton, known as a Policy 3 catchment. Various walking catchments have been used to delineate where Policy 3 applies, expressed as those areas being within a High Density Residential Zone catchment or Medium Density Residential Zone (MRZ) Policy 3 extent.

Commercial zones and overlays

- The Council has accepted all of the IHP recommendations for: • City Centre zone (for those not decided on 18 September
- 2024) • Central City Mixed Use zone
- Central City Mixed Use zone (South Frame)
- Local Centre zone
- Neighbourhood Centre zone
- Large Format Retail zoneCommercial Banks Peninsula zone
- Brownfield Overlay

Council accepts all of the IHP recommendations for the Town Centre zone, except as follows:

- Council rejects the permitted 32m building height standard for the Town Centre zone of Hornby (15.4.2.2.a.ii) and recommends a 22m building height standard. Reason - The recommended building height does not adequately reflect a building height that is commensurate with the commercial centre (Policy 3(d)) or its surrounds
- Council rejects the permitted 22m building height standard for the Town Centre zone of Linwood (15.4.2.2.a.i) and recommends a 20m building height standard, and a recession plane that applies the Sunlight Access qualifying matter. Reason - This building height is sufficient and retaining a recession plane angle that applies the Sunlight Access qualifying matter better support the wellbeing of neighbouring residents

Residential zones and overlays

Only within the Policy 3 Medium Density Residential Zone Extent (as per IHP Recommended Planning Maps), or where there are consequential changes, the Council has accepted all of the IHP

Recommendations for the following:

- Residential Suburban Zone
- Residential Suburban Density Transition Zone
- Residential Medium Density Zone
 Residential Banks Peninsula Zone
- Enhanced Development Mechanism
- Residential Visitor Accommodation zone
- Council accepts all of the recommendations for the Medium

Density Residential Zone, except as follows:

- Council rejects medium density residential zoning of the surrounds of Peer Street Local Centre zone and alternatively recommends that no decision is made (retains operative). Reason - The lessened scale of the centre and medium density not being a commensurate Policy 3(d) response
- Council rejects the removal of the Local Centre Intensification Precinct, and alternatively recommends that this is applied to Medium Density Residential zones surrounding the centres of Bishopdale, Barrington, Northwest Belfast, Halswell, Prestons, Wigram, Sydenham South, Richmond, but aligned to the 200m NPS-UD Policy 3 catchment recommended by the IHP. It is recommended that Council Reply provisions are altered to align with the 12m building height control of the zone (for both permitted height standards 14.5.2.3.a.i.b and height in relation to boundary exemption 14.5.2.6.b.iv.A). Reasons - To better provide for comprehensively developed perimeter block developments and is more responsive to the scale of respective commercial centres under NPS-UD POlicy 3(d)

Council accepts all of the recommendations for the High Density Residential zone, except as follows:

- Council rejects the absence of Papanui War Memoria Avenues in matters of discretion and alternatively recommends that the Papanui War Memorial Avenues are considered as a matter of discretion for breaches of building height, building setback, and building coverage. Reason -This better consider the heritage value of the memorial avenues
- Council rejects in-part the High Density Residential zoning around the Town Centre zone of Riccarton and alternatively

recommends that the Policy 3(d) response surrounding the Town Centre zone of Riccarton is modified to not zone sites accessed via Matai Street West as High Density Residential zone, nor areas within the Riccarton Bush Interface, and to apply the Mixed Use zone over 25 Deans Avenue. Reason -High Density Residential zoning is unsuitable for the areas north of Matai Street West because of its unique character and for 25 Deans Avenue to be Mixed Use zone to enable a wider range of activities for the site. Applying Medium Density Residential zone within the Riccarton Bush Interface Area is in response to the qualifying matter

Council rejects Medium Density Residential zoning of 25 Deans Avenue and alternatively recommends that 25 Deans Avenue has a building height precinct applied that permits a building height of 36m. Reason - To better enable a wider range of activities for the site and provide for a taller built form, commensurate with the context of the site

Council rejects in-part the High Density Residential zone extent around the Town Centre zone of Hornby and Council alternatively recommends that the walking catchment is reduced surrounding the Town Centre zone of Hornby. Reason - To better reflect the current location of the operative Residential Medium Density zone

Council rejects the High Density Residential zone building height around the Town Centre zone of Hornby and Council alternatively recommends that the permitted building height (14.6.2.1.a) within the High Density Residential zone surrounding the Town Centre zone of Hornby is reduced to 12m. Reason - To better reflect a commensurate response under Policy 3(d) for the centre, to align with operative building heights, and the alternatively proposed commercial building height

Council rejects in-part the High Density Residential zone extent surrounding the Town Centre zone of Linwood and Council alternatively recommends that the walking catchment is reduced surrounding the Town Centre zone of Linwood. Reason - To that of the Council notified position (400m catchment), to better reflect a commensurate response under Policy 3(d) for the centre and reduce the negative social impacts of local

Council rejects the High Density Residential zone building height around the Town Centre zone of Linwood and Council alternatively recommends that the permitted building height (14.6.2.1.a) within the High Density Residential zone surrounding the Town Centre Zone of Linwood is reduced to 12m. Reason - To better align with operative building heights and reduce the negative social impacts of local intensification

 Council rejects the High Density zoning for 231 Milton Street and 12 Johnson Street and Council alternatively recommends that the High Density Residential zoning for 231 Milton Street and 12 Johnson Street should align with the current parcel configuration. Reason - To better reference the minor boundary adjustment of sites

Council rejects parts of the recommended residential pathways provisions that remove the independence of pathways or make this unclear. This is because the recommendations are contradictory and unwieldy as a framework.

The alternative is:

- 1. Accept IHP recommendations for Pathways A and B to be independent.
- For the purpose of implementing Pathway B, accept the application of currently operative provisions for residential zones in Policy 3 areas.
- Reject IHP recommendations to alter provisions (e.g. 14.2.e) that remove independence of Pathway A and B or make this independence unclear, and propose an alternative recommendation that provides for the independence of Pathways A and B.
- 4. Instead of integrating the Chapter 14B pathway "throughout the relevant chapters" as proposed in the Panel's Minute 58, propose the following as another way "that would achieve the same outcome and that is acceptable to the Panel" (as mentioned in paragraph 17 of the Panel's Minute 58):
- a. Have planning maps that:
- Outside Policy 3 areas: are based on the currently operative district plan maps (subject only to removing Residential Character Areas and other modified or removed qualifying matters as per the IHP recommendations).
- ii. Inside Policy 3 areas: are based on the IHP zoning recommendations with an Overlay that identifies what the (previous) operative zoning of the relevant land was. This Overlay would only be used where a person chooses the operative pathway (Pathway B) approach.
- b. Have two versions of the District Plan as follows:
- i. Version 1 is based on the currently operative district plan

(subject only to removing Residential Character Areas and other modified or removed qualifying matters as per the IHP recommendations) which would clearly explain that it only applies in two circumstances:

- Outside Policy 3 areas.
 Inside Policy 3 areas where the operative pathway (Pathway B) approach is chosen.
- Version 2 is based on the full set of IHP recommendations (i.e. including the MDRS / Policy 3 recommendations) but which would only apply inside Policy 3 areas where the MDRS / Policy 3 Pathway (Pathway A) approach is chosen.

Other zones and Chapters:

- The Council has accepted all of the IHP Recommendations for:
 Part of Chapter 2 Definitions confined to definitions used in provisions decided upon:
- Chapter 3 Strategic Directions:
- Part of Chapter 6.1A Qualifying matters (where related to zones and qualifying matters decided upon):
- Chapter 7 Transport (where related upon); upon);
- Chapter 8 Subdivision, Development and Earthworks
 (where related to zones decided upon);
- Chapter 13.2 Specific Purpose (Cemetery) Zone (Barbadoes Street only);
- Chapter 13.5 Specific Purpose (Hospital) Zone (excluding: Princess Margaret Hospital; Hillmorton Hospital; and Burwood Hospital);
- Chapter 13.6 Specific Purpose (School) Zone (excluding those sites not within or adjacent to a zone decided on);
- Chapter 13.7 Specific Purpose (Tertiary Education) zone;
- Chapter 13.8 Specific Purpose (Lyttelton Port) Zone;
- Chapter 13.11 Specific Purpose (Flat Land Recovery) Zone;
 Chapter 13.14 Specific Purpose (Õtākaro Avon River Corridor) Zone

Qualifying matters and Financial Contributions The Council has accepted all of the IHP Recommendations for:

- Financial Contributions for tree canopy cover (to remove)
 - Public Open Space qualifying matter (to retain)
 - Lyttelton Commercial Centre Heights (to retain)
 - Lyttelton Port Influences Overlay (only within Commercial Banks Peninsula zone - to retain)
 - Styx River Setback qualifying matter (to retain)
 - New Regent Street Height Precinct (to retain)
 Arts Centre Height Precinct (to retain)
 - Central City Heritage Interface (to remove)
 - Residential Heritage Area Interface (to remove)
 - Heritage Items and Settings, as follows:
 - reject submissions to remove from the heritage schedule 59 Hansons Lane and 181 High Street;
 - accept/accept in part submissions to amend the extent or location of heritage items or settings for New Regent Street Shops and 135 High Street;
 - accept not scheduling new items and settings ;
 - accept the operative Plan heritage items and settings are qualifying matters as it applies to zoned decided on;
 - accept the heritage height qualifying matter applying within the heritage settings of The Arts Centre and New Regent St and associated rule amendments in 15.11.1.3 RD11 and 15.11.2.11 a. ii;
 - reject the heritage qualifying matter for the Central City Heritage Interface applying to sites adjoining The Arts Centre and New Regent St settings and to replace this with a matter of discretion in 15.14.2.6 a. x.E. and repeated in 15.14.3.1 a. xiv;
 - Cathedral Square Interface (to remove);
 - Victoria Street Height qualifying matter (to remove);
 Dediagonemunication Dethumon Minimum Minimu Minimum Min
 - Radiocommunication Pathways qualifying matter (to retain);
 - North Halswell Outline Development Plan qualifying mater (to retain);
 - Only within zones decided upon:
 - Outstanding Natural Features and Landscapes (to retain);
 High Flood Hazard Management Area (to retain);
 - Coastal Hazard Medium and High Risk Management Areas (to retain);
 - Tsunami Management Area (to retain);
 Waterbody setbacks (to retain):
 - Wastewater constraint qualifying matter (to retain);
 - Sites of Ecological Significance (to retain);
 - Sites of Cultural Significance qualifying matter (to retain);
 - NZ Rail Network building setback (to retain);
 - Industrial interface (to retain);
 - Significant and Other Trees (to retain):
 - Residential Character Areas (only for Lyttelton (to modify), Ranfurly, Beverley, and Clifton (to remove all));
 - Residential Heritage Areas, including Piko Shand (to

remove);

 Accepts the Panel's recommendations on any other qualifying matter proposed by submitters (to remove all).

Council rejects recommendations to remove the Riccarton Bush Interface Area and Council alternatively recommends that the qualifying matter is retained and Medium Density Residential Zone is applied accordingly (as per 14.5.3). Reason: Council supports the qualifying matter as a section 6(b), section 6(e), and section 6(f) matter under the Resource Management Act.

Council rejects the recommendations in-part to remove the City Spine qualifying matter and Council alternatively recommends that all operative road boundary setbacks apply for sites that front a road across the qualifying matter area. Reason: Council supports the protection of this highly significant public transport corridor and not foreclosing the future expansion of the road reserve to accommodate the expansion of public transport services and development as a sub-regional greenway.

Council rejects the recommendations for the Sunlight Access qualifying matter, recommending that the qualifying matter is applied to all medium and high density residential zones (14.5.2.6 and 14.5.2.2), in accordance with the Council Reply. Reason: Council supports the position that Christchurch has latitudinal and climatic characteristics that are in contrast to where the vast majority (70%, by population) of where the MDRS applies.

Council rejects in-part the recommendations for the Airport

Noise Influence Area, recommending that resource consent is

required for three or more residential units to manage reverse

sensitivity effects on the Christchurch International Airport.

Except that the limited notification clause requiring approval

from the Christchurch International Airport Limited (CIAL)

within any 50 dB air noise contour is removed (as per Minute

58. 14A.5.1.3 RD35 and 14A.6.1.2 RD30). This is to align with the

operative residential control within medium density areas as a

response to effects of development on Christchurch

International Airport and to leave the decision on affected

party approvals for only Council to consider under the Resource

Council rejects the recommendation to retain the heritage

listing for Daresbury House, alternatively recommending that

Daresbury heritage listing (Item 185) and associated heritage

setting (Item 602) are removed. This is because Council

considers that the house has been damaged to an extent where

Council rejects the recommendation to retain the heritage

listing for Antonio Hall, alternatively recommending that

Antonio Hall heritage listing (Item 463) and associated heritage

setting (Item 203) is removed. This is because Council considers

that the building is significantly compromised and the site is

better placed to deliver housing given its highly accessible

Council rejects the recommendation to retain the Residential

Character Area for Piko, alternatively recommending that the

Character Area is removed. This is because Council considers

that housing has deteriorated in this area and is better placed

The Council has accepted all of the IHP Recommendations on

District Plan mapping, as they relate to the decision, except

Consequential changes have yet to be integrated as part of the

integration with the District Plan, however this will be

completed as part of the changes becoming fully operative by

Any decision to accept an IHP recommendation will be

operative from 12 December 2024. All relevant materials or

links to IHP recommendations can be found on the Plan

Christchurch City Council

Change 14 website: ccc.govt.nz/pc14 and accessible via

computer at the Council's libraries and service centres

where it can be printed (fees and charges will apply)

The Minister Responsible for RMA Reform has

directed the Council to notify its decisions on

the balance of IHP Recommendations (i.e.

outside of Policy 3 areas) by December

2025. Council has yet to determine

when this decision will be made,

which is likely be influenced by

forthcoming changes to the

Resource Management

Act.

where otherwise stated in this public notice.

to deliver new housing given its highly accessible location.

mic to repair.

Management Act.

it is unecon

location.

Mapping:

Other information:

14 February 2025.

🛟 chapman tripp

17 January 2025

Chris Bishop Minister Responsible for RMA Reform
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By Email: C.Bishop@ministers.govt.nz

Dear Hon Chris Bishop

RECOMMENDATIONS REFERRED TO YOU BY THE CHRISTCHURCH CITY COUNCIL RELATING TO ITS INTENSIFICATION PLANNING INSTRUMENT (PLAN CHANGE 14)

- 1 This letter is written on behalf of Daresbury Limited who sought the delisting of Daresbury House and its setting at 67 and 67B Fendalton Road from the Christchurch District Plan's Schedule of Significant Historic Heritage Items through Plan Change 14 (*PC14*).
- 2 On 2 December 2024, the Christchurch City Council (*Council*) made a decision to **reject** the Independent Panel's (*the Panel*) recommendation to retain the heritage listing for Daresbury House and recommends that the house and setting are removed. The public notice attached shows that the Council rejected the Panel's recommendation because "*Council considers that the house has been damaged to an extent where it is uneconomic to repair*" and it alternatively recommends that the house (item 185) and setting (item 602) are removed.
- 3 The purpose of this letter is to support the Council's alternative recommendation decision and to demonstrate why the Panel's recommendation was flawed and wrong and the Council's decision is correct.

THE PANEL'S DELISTING DECISIONS

- 4 The Panel in Part 5 of its Recommendation Report applies a methodology to all its decisions on delisting heritage items and settings by:
 - 4.1 Considering the cost of repair to the heritage item;
 - 4.2 Considering the cost of an equivalent new build;
 - 4.3 Considering the market value of the land and buildings after repair;
 - 4.4 Considering whether a reasonable landowner would repair the heritage item in light of 5.1-5.3 above to determine whether the financial reasonableness 'test' in Policy 9.3.2.2.8 of the Plan has been established; and
 - 4.5 If that test is not met (e.g. the cost of repair would be unreasonable because the market value is less than the cost of repair/rebuild and the cost of the land), delist the heritage item and setting.

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Auckland Wellington Christchurch



- 5 This methodology was applied consistently by the Panel in its recommendations to delist the items and settings of other heritage items including the Blue Cottage at 32 Armagh Street, St James Church at 65 Riccarton Road, Harley Chambers at 137 Cambridge Terrace, and the house at 417 Ferry Road.
- 6 However, in terms of the request to remove Daresbury House and it's setting the Panel:
 - 6.1 Failed to apply the same methodology as applied to other heritage items; and/or
 - 6.2 Failed to take into account relevant information provided in evidence (being the uncontested evidence as to the value of the land on which Daresbury House; and/or
 - 6.3 Took into account irrelevant information (eg by making incorrect assumptions without supporting evidence that the landowner could offset the cost of repair of the heritage building by subdividing and selling off the surrounding land).
- 7 The uncontested evidence before the Panel relevant to the delisting methodology set out in paragraph 4 above was that:
 - 7.1 The cost of repair of the building to make it habitable was approximately **\$8m**.
 - 7.2 The cost of an equivalent new build was also approximately **\$8m**.
 - 7.3 Daresbury House sits in the middle of 6,791m² of land which is also subject to a heritage setting. The underlying value of this land is only **\$4.6m** given the constraints on subdivision arising from the heritage setting, and the location of Daresbury House in the middle of the land.
 - 7.4 Therefore, a reasonable landowner contemplating repairs would need to be able to recover **at least \$12.6m** (being the cost of repair plus the underlying land value).
 - 7.5 The market value of a repaired Daresbury House would be around **\$6m** which results in a loss to a landowner of **\$6.6m**.
- 8 The Panel, were not convinced that the repair costs were unreasonable. The Panel's reasoning was that:
 - 8.1 The repair cost was similar to the cost of an equivalent new build;
 - 8.2 Subdivision consent had previously been obtained for another part of the original site (noting this other part is not included as part of the land valuation assessment); and
 - 8.3 The bare land value tempers concerns about any opportunity costs.

- 9 The Panel's decision in this respect is flawed and it has failed to consistently apply the same methodology it did to other delisting recommendations. It:
 - 9.1 Failed to acknowledge that with the retention of the 6,791m² setting, the land could not be subdivided and therefore land could not be sold to offset any costs of repair;
 - 9.2 Failed to acknowledge that Daresbury House sits sites in the middle of the site makes subdivision impractical in any event.
 - 9.3 Failed to take into account the market valuation of the repaired Daresbury House being around \$6m, and that the costs of repair of \$8m and the value of the land at \$4.6m leaves a shortfall of \$6.6m to the landowner. The Panel did not even do the basic maths equation. (It should be noted, this was a key consideration in the Panel's recommendations to delist St James Church and Blue Cottage).
 - 9.4 Failed to take into account the uncontested evidence that there have been no sales of character home properties in the Christchurch market at a price level over \$8m and that the highest prices obtained for properties in Christchurch had been in other areas of Christchurch eg hill suburbs of Sumner.
 - 9.5 Failed to take into account the evidence that there are also significant holding costs for the land which further increase the shortfall to the landowner. The holding costs would add at least another \$2m to the costs that would be incurred.
- 10 In summary the evidence before the Panel if it had done the basic maths equation it did in relation to other delisting requests it could only have reached the conclusion that the cost of repair exceeds the value of the repaired building by \$6.6m and that the building was uneconomic to repair.

Summary

11 The decision of the Christchurch City Council to reject the Panel's recommendation and to alternatively recommend to remove the heritage listing over the building and it's setting is the only conclusion that is available on the evidence and is consistent with the other decisions made to delist other heritage buildings.

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Yours sincerely

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Jo Appleyard / Lucy Forrester Partner / Senior Solicitor

S:\Archaeology\Archaeological Authorities

4 June 2025



File ref: 2025/499 11013-013

Tēnā koe James Milne

APPLICATION FOR ARCHAEOLOGICAL AUTHORITY UNDER HERITAGE NEW ZEALAND POUHERE TAONGA ACT 2014: Authority no. 2025/499: M35/2152 and potential sites, as yet unrecorded, 9 Daresbury Lane, Fendalton, Christchurch

In considering this application, Heritage New Zealand Pouhere Taonga notes that you wish to demolish the pre-1900 dwelling known as Daresbury, repair the pre-1900 tennis court wall, and undertake earthworks for the removal of foundations and site clearance at 9 Daresbury Lane, Fendalton, Christchurch. This activity will affect a recorded archaeological site. The house and estate are recorded on the New Zealand Archaeological Association Site Record scheme as M35/2152. Built for prominent Christchurch businessman, George Humphreys, Daresbury was designed by Samuel Hurst Seager in the Arts and Crafts style with half-timbered gables, jettied upper floors, lead lights and a tiled roof. The house was constructed between 1897 and 1901, and the time of its construction Daresbury has endured as a significant estate, hosting notable visitors and retaining a prominent place in the history of Christchurch.

Daresbury is an excellent example of a grand late-19th century Arts and Crafts residence, characteristic of those built in Christchurch for well-off professionals and businessmen and reflecting the lifestyle of the wealthier residents of Christchurch at the turn of the century. The heritage significance of Daresbury is recognised by its inclusion on the New Zealand Heritage List / Rārangi Kōrero as a Category 1 Historic Place (List No. 3659).

Although the house has been modified in the past and has been damaged by the Canterbury Earthquakes, and the estate has been subject to subdivision and development, they both still possesses important archaeological and heritage values. The demolition of Daresbury presents an irreplaceable loss to the heritage and archaeological record of Christchurch. It is disappointing that no alternatives to demolition could be found despite on-going discussion with us.

The granting of this authority by Heritage New Zealand Pouhere Taonga reflects the archaeological, as opposed to wider heritage, values of the buildings and consequently does not constitute affected party approval under the Resource Management Act or in any way prejudice its response to any other consent processes in respect of the proposed works. We note that Christchurch City Council rejected the recommendation by the Independent Hearings Panel (IHP) on Plan Change 14, which was to retain the heritage listing for Daresbury House and associated setting, alternatively recommending that Daresbury be removed. The decision has been referred to Minister Bishop, the Minister Responsible for Resource Management Act Reform. The justification for this decision was that the Council considered the house had been damaged to an extent where it is uneconomic to repair.

The area is of significance to Te Ngāi Tūāhuriri Rūnanga and we appreciate the consultation you have undertaken.

p (64 4) 472 4341 a National Office, Antrim House, 63 Boulcott Street

a PO Box 2629, Wellington 6140



Please inform Te Ngāi Tūāhuriri Rūnanga, the s45 approved person and Heritage New Zealand Pouhere Taonga of start and finish dates for the work.

In accordance with section 51 of the Heritage New Zealand Pouhere Taonga Act, we have notified relevant parties of this decision. An appeal period from receipt of decision by all parties applies. Therefore, this authority may not be exercised during the appeal period of 15 working days, or until any appeal that has been lodged is resolved.

If you have any queries, please direct your response in the first instance to:

Nigel Bruer Archaeologist Canterbury/West Coast Heritage New Zealand Pouhere Taonga, Christchurch Office PO Box 4403, Christchurch 8140

Phone (03) 363 1893 or 027 278 2707 Email <u>ArchaeologistCW@heritage.org.nz</u>

Nāku noa, nā,

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Emma Clifford Manager Archaeology, Heritage New Zealand Pouhere Taonga



HERITAGE NEW ZEALAND Pouhere taonga

AUTHORITY

Heritage New Zealand Pouhere Taonga Act 2014

AUTHORITY NO: 2025/499

FILE REF: 11013-013

DETERMINATION DATE: 4 June 2025

EXPIRY DATE: 4 June 2030

AUTHORITY HOLDER: James Milne

ARCHAEOLOGICAL SITES: M35/2152 and potential sites, as yet unrecorded

LOCATION: 9 Daresbury Lane, Fendalton, Christchurch

SECTION 45 APPROVED PERSON: Nick Cable

LANDOWNER CONSENT: Landowner is applicant

This authority may not be exercised during the appeal period of 15 working days, or until any appeal that has been lodged is resolved.

This decision does not ascribe mana whenua status.

DETERMINATION

Heritage New Zealand Pouhere Taonga grants an authority pursuant to section 48 of the Heritage New Zealand Pouhere Taonga Act 2014 in respect of the archaeological site described above, within the area specified as Lots 2 and 3 DP 49363 to James Milne for the proposal to demolish the pre-1900 building, repair the pre-1900 tennis court wall, and undertake earthworks for foundation removal and site clearance at 9 Daresbury Lane, Fendalton, subject to the following conditions:

CONDITIONS OF AUTHORITY

1. The authority holder must ensure that all contractors working on the project are briefed on site by the s45 approved person, who may appoint a person to carry out the briefing on their behalf, prior to any works commencing, on the possibility of encountering archaeological evidence, how to identify possible archaeological sites during works, the archaeological work required by the conditions of this authority, and contractors' responsibilities with regard to notification of the discovery of archaeological evidence, to ensure that the authority conditions are complied with, as outlined in the Archaeological Management Plan (condition 3). 2. Prior to the start of any on-site archaeological work, the Authority Holder must ensure that Heritage New Zealand Pouhere Taonga is advised of the date when work will begin. This advice must be provided at least 2 working days before work starts.

The Authority Holder must also ensure that Heritage New Zealand Pouhere Taonga is advised of the completion of the on-site archaeological work, within 5 working days of completion.

3. The authority must be exercised in accordance with an Archaeological Management Plan commissioned, or prepared with archaeological advice, by the Authority Holder. The Archaeological Management Plan shall provide operational guidelines and procedures for day-to-day activities that may affect archaeological sites during works.

The Plan shall include, but is not limited to, the following:

- a) on-site briefing by the s45 approved person for contractors about the archaeological work required,
- b) the role, responsibility, and level of authority of the S45 approved person,
- c) methods and details for the recording of the standing building and wall,
- d) areas and works where the s45 approved person must be present,
- e) requirements for stand down periods to enable archaeological work,
- f) procedures for any archaeological investigation or recording of archaeological information,
- g) timeframes for archaeological work,
- h) mechanisms for dispute resolution, and
- emergency contact details for s45 approved person, Heritage New Zealand Pouhere Taonga Archaeologist and Te Ngāi Tūāhuriri Rūnanga.

The Plan must be submitted to the Heritage New Zealand Pouhere Taonga Archaeologist for approval prior to the commencement of any earthworks. No earthworks shall commence until Heritage New Zealand Pouhere Taonga has given its written approval of the Plan.

- 4. The pre-1900 building at 9 Daresbury Lane, Fendalton must be investigated, recorded and analysed prior to and during its demolition to document and recover information about its construction, alteration and use through time. This is to be undertaken to a minimum standard of Level I recording as defined in Guidelines for the Investigation and Recording of Buildings and Standing Structures (<u>AGS1 2018</u>), and as detailed in the Archaeological Management Plan (condition 3).
- 5. The pre-1900 tennis court wall at 9 Daresbury Lane, Fendalton must be investigated, recorded and analysed prior to and during its repair to document and recover information about its construction, alteration and use through time. This is to be undertaken to a minimum standard of Level III recording as defined in Guidelines for the Investigation and Recording of Buildings and Standing Structures (AGS1 2018), and as detailed in the Archaeological Management Plan (condition 3).
- 6. All earthworks that may affect any archaeological sites must be monitored by the s45 approved person, who may appoint a person to carry out the monitoring on their behalf, as outlined in the Management Plan (condition 3).
- 7. Any archaeological evidence encountered during the exercise of this authority must be investigated, recorded and analysed in accordance with current archaeological practice.

- 8. If any kōiwi (human remains) are encountered, all work should cease within 5 metres of the discovery. The Heritage New Zealand Pouhere Taonga Archaeologist, New Zealand Police and Te Ngāi Tūāhuriri Rūnanga must be advised immediately in accordance with Guidelines for Koiwi Tangata/Human Remains (<u>AGS8 2010</u>) and no further work in the area may take place until future actions have been agreed by all parties.
- 9. The authority holder must ensure that if any possible taonga or Māori artefacts, or sites of Māori origin are encountered, all work should cease within 20 metres of the discovery. The Heritage New Zealand Pouhere Taonga Archaeologist and Te Ngāi Tūāhuriri Rūnanga must be advised immediately and no further work in the area may take place until they have responded.
- 10. That within 20 working days of the completion of the on-site archaeological work associated with this authority, the authority holder shall ensure that:
 - a) An interim report following the Archaeological Report Guideline (<u>AGS12 2023</u>) is submitted to the Heritage New Zealand Pouhere Taonga Archaeologist for inclusion in the Heritage New Zealand Pouhere Taonga Archaeological Reports Digital Library.
 - b) Site record forms are updated or submitted to the NZAA Site Recording Scheme and the Heritage New Zealand Pouhere Taonga Archaeologist notified.
- 11. That within 12 months of the completion of the on-site archaeological work, the authority holder shall ensure that a final report, completed to the satisfaction of Heritage New Zealand Pouhere Taonga and following the Archaeological Report Guideline (AGS12 2023), is submitted to the Heritage New Zealand Pouhere Taonga Archaeologist for inclusion in the Heritage New Zealand Pouhere Taonga Archaeological Reports Digital Library.
 - a) One hard copy and one digital copy of the final report are to be sent to the Heritage New Zealand Pouhere Taonga Archaeologist.
 - b) Digital copies of the final report must also be sent to the NZAA Central Filekeeper, Canterbury Museum, Te Ngāi Tūāhuriri Rūnanga.
- 12. That annually from the date of issue of this authority, the authority holder must submit to the Heritage New Zealand Pouhere Taonga Archaeologist a written report containing a summary of the progress of the project.

Signed for and on behalf of Heritage New Zealand Pouhere Taonga,

Claire Craig Deputy Chief Executive Policy, Strategy and Corporate Services Heritage New Zealand Pouhere Taonga PO Box 2629 WELLINGTON 6140

Date 4 June 2025

ADVICE NOTES

Contact details for Heritage New Zealand Pouhere Taonga Senior Archaeologist

Nigel Bruer Archaeologist Canterbury/West Coast Heritage New Zealand Pouhere Taonga, Christchurch Office PO Box 4403, Christchurch 8140

Phone (03) 363 1893 or 027 278 2707 Email <u>ArchaeologistCW@heritage.org.nz</u>

Current Archaeological Practice

Current archaeological practice may include, but is not limited to, the production of maps/ plans/ measured drawings of site location and extent; excavation, section and artefact drawings; sampling, identification and analysis of faunal and floral remains and modified soils; radiocarbon dating of samples; the management of taonga tūturu and archaeological material; the completion of a final report and the updating of existing (or creation of new) site record forms to submit to the NZAA Site Recording Scheme.

Reporting Conditions

Reports required by authority conditions are to be prepared following the Archaeological Report Guideline (reference <u>AGS12 2023</u>).

Heritage New Zealand Pouhere Taonga supports transparent reporting processes. It therefore is expected that all relevant directly affected parties have reviewed the report in question, are happy with its contents, and understand that it will be made publicly available via the Heritage New Zealand Pouhere Taonga Archaeological Reports Digital Library.

Heritage New Zealand Pouhere Taonga has the right to make available any report produced under an authority where the distribution of the report is for the purpose of providing archaeological information about the place in question for research or educational purposes.

Rights of Appeal

An appeal to the Environment Court may be made by any directly affected person against any decision or condition. The notice of appeal should state the reasons for the appeal and the relief sought and any matters referred to in section 58 of the Heritage New Zealand Pouhere Taonga Act 2014. The notice of appeal must be lodged with the Environment Court and served on Heritage New Zealand Pouhere Taonga within 15 working days of receiving the determination and served on the applicant or owner within five working days of lodging the appeal.

Review of Conditions

The holder of an authority may apply to Heritage New Zealand Pouhere Taonga for the change or cancellation of any condition of the authority. Heritage New Zealand Pouhere Taonga may also initiate a review of all or any conditions of an authority.

Non-compliance with conditions

Note that failure to comply with any of the conditions of this authority is a criminal offence and is liable to a penalty of up to \$120,000 (Heritage New Zealand Pouhere Taonga Act 2014, section 88).

Costs

The authority holder shall meet all costs incurred during the exercise of this authority. This includes all on-site work, post fieldwork analysis, radiocarbon dates, specialist analysis and preparation of interim and final reports.

Guideline Series

Guidelines referred to in this document are available on the Heritage New Zealand Pouhere Taonga website: <u>archaeology.nz</u>

The Protected Objects Act 1975

The Ministry for Culture and Heritage ("the Ministry") administers the Protected Objects Act 1975 which regulates the sale, trade and ownership of taonga tūturu.

If a taonga tūturu is found during the course of an archaeological authority, the Ministry or the nearest public museum must be notified of the find within 28 days of the completion of the field work.

Breaches of this requirement are an offence and may result in a fine of up to \$10,000 for each taonga tūturu for an individual, and of up to \$20,000 for a body corporate.

For further information please visit the Ministry's website at http://www.mch.govt.nz/nz-identity-heritage/protected-objects.

Landowner Requirements

If you are the owner of the land to which this authority relates, you are required to advise any successor in title that this authority applies in relation to the land. This will ensure that any new owner is made aware of their responsibility in regard to the Heritage New Zealand Pouhere Taonga Act 2014.


HERITAGE NEW ZEALAND Pouhere taonga

SECTION 45 APPROVED PERSON

Heritage New Zealand Pouhere Taonga Act 2014

AUTHORITY NO: 2025/499

FILE REF: 11013-013

APPROVAL DATE: 4 June 2025

This approval may not be exercised during the appeal period of 15 working days, or until any appeal that has been lodged is resolved.

APPROVAL

Pursuant to section 45 of the Act, **Nick Cable**, is approved by Heritage New Zealand Pouhere Taonga to carry out any archaeological work required as a condition of authority 2025/499, and to compile and submit a report on the work done. Nick Cable will hold responsibility for the current archaeological practice in respect of the archaeological authority for which this approval is given.

Signed for and on behalf of Heritage New Zealand Pouhere Taonga,

Claire Craig Deputy Chief Executive Policy, Strategy and Corporate Services Heritage New Zealand Pouhere Taonga PO Box 2629 WELLINGTON 6140

Date 4 June 2025