

**BEFORE INDEPENDENT HEARING COMMISSIONERS IN CHRISTCHURCH
TE MAHERE Ā-ROHE I TŪTOHUA MŌ TE TĀONE O ŌTAUTAHĪ**

IN THE MATTER

of the Resource Management Act
1991

AND

IN THE MATTER

of the hearing of submissions on
Proposed Heritage Plan Change
(**PC13**) to the Christchurch District
Plan

**SUMMARY OF EVIDENCE OF PHILIP OSBORNE ON BEHALF OF
CHRISTCHURCH CITY COUNCIL**

Economics

17 June 2025

SUMMARY OF EVIDENCE

1. My full name is **Philip Mark Osborne**. My qualifications and experience are set out in full in my evidence dated 25 May 2025. As with my evidence, I have prepared this summary in accordance with the Code of Conduct for Expert Witnesses Code of Conduct for Expert Witnesses.
2. I have prepared evidence on behalf of the Christchurch City Council (the **Council**) in respect of economic matters arising from Proposed Heritage Plan Change (**PC13**) to the Christchurch District Plan that identified 9 Residential Heritage Areas (RHAs) and proposed scheduling new heritage items and settings.
3. The Property Economics report attached to the s32 report and my evidence outlined the potential economic costs and benefits associated with the safeguarding of these areas and items, having been identified as possessing heritage values. It also responded to the economic issues and concerns raised by relevant submissions on PC13. It is important to note that my economic evidence does attempt to value individual RHAs or their components but assumes justification for the extent and sites are based on a heritage assessment.
4. The 9 RHAs affect a total of 1,136 properties (comprised of defining, contributory, neutral and intrusive) of which 64% are either defining or contributory. There are also 44 identified heritage items.
5. There are a number of potential economic impacts resulting from PC13 outlined in the table below.

Historic Heritage Rules	Economic Cost	Economic Benefits	Comments
<i>Restriction on new buildings and alteration to building exteriors</i>	Increased development costs	Improved amenity	Restrictions on development are primarily for the front sites only
	Reduced development capacity	Increased tourism	
	Reduced land values	Increased land values	
	Reduced development pattern efficiency		
	Increased transactional costs		
	Reduced housing options		
<i>Restriction of demolition or relocation of a defining building or contributory building</i>	Increased development costs	Heritage protection	Restriction on defined and contributory buildings only
	Reduced development capacity	Improved amenity	
	Reduced land values	Increased tourism	
	Increased transactional costs	Increased land values	
	Reduced housing options		

6. While not all of these impacts can be quantified, providing a potential extent of impact is still relevant for consideration.
7. A key factor impacted is the value of properties associated with the RHAs and heritage items, research has shown that while heritage factors contribute to property values there are mitigating provisions (such as reduced development potential) that have a negative influence on the identified properties. Additionally, there is a 'halo' effect that contributes to property values beyond the heritage areas and items (this has been conservatively assessed at a capital value of \$14m).
8. While a reduction of development potential on the identified properties could impact the specific property values, given that there remains more than sufficient development capacity, within the city, to meet demand there is unlikely to be any material impact on the community as a whole from this reduction.
9. In terms of the wider community there is a clear indication that heritage contributes to the City's vital tourism sector (A survey undertaken by Christchurch City Council in 2017 found that 44% of respondents considered tourism as a valuable component of heritage). Additionally, there is an 'existence' value, a level of willingness to pay by the community for heritage sites (given the number of sites within the RHAs that contribute to heritage this figure could equate to as much as \$1.5m per annum). While this value is inherently based on the heritage value intrinsic to the buildings/areas themselves, the aforementioned figure gives a general level of extent of impact.
10. My economic assessment found that while there are costs associated with specific properties, when considering the costs to the community as a whole (and the assessed alternative opportunities), and assuming the inherent heritage value of the identified areas (and their extents) there is likely to be minimal community economic costs associated with the plan change.
11. I addressed a number of submissions in my evidence-in-chief. These primarily raised concerns around properties within the RHAs experiencing

additional costs to maintain and enhance their buildings. While some of these concerns (regarding sustainability improvements) have been addressed through changes to the provisions of PC13, the basis for the submitters' concern is correct.

12. As outlined in my evidence there are likely to be mitigating benefits for property owners of heritage items and in and around the RHAs, however the long-term economic value of heritage items and areas, including enhanced neighbourhood identity, increased tourism potential, and stronger community amenity, has the potential to offset individual constraints. Thus, from a broader efficiency and equity perspective, preserving the City's collective historic heritage value / character is likely to justify limitations on private property modifications within the RHAs, especially when alternative solutions or exemptions may still enable sustainable enhancements.
13. Although the Property Economics report and my evidence identified a range of economic costs, their overall impact is likely minor when considered at a city-wide scale, particularly given the estimated available capacity to accommodate growth elsewhere.
14. Overall, from an economic perspective, I consider the provisions proposed under PC13 to be both economically appropriate, for the wider Christchurch community, and efficient within the framework of the RMA.

Section 77J and 77P assessment

15. I understand that section 77J requires, in relation to the RHAs and proposed new heritage items within the areas for which the Council has made "Policy 3" decisions in PC14, that evaluation must "...assess the costs and broader impacts of imposing those limits".
16. I understand from Mrs Richmond that there are 44 new heritage items and their settings (sites) proposed in PC13 potentially affecting capacity, but of those only 6 sites (excluding street trees) impact capacity in policy 3 areas – 1 residential and 5 non-residential items. These being:

s77J (1 site zoned HRZ residential)

- Dwelling and setting, 35 Rata Street, Riccarton

S77P (5 sites zoned CCZ non-residential):

- 28 Bealey Avenue (Knox Presbyterian Church and setting)
- 167 Hereford Street (Commercial building and setting)
- 129 High Street (Commercial building and setting, Former Bank of New Zealand)
- 159 Manchester Street (Commercial building and setting, Former Canterbury Terminating Building Society)
- 152 Oxford Terrace (Commercial building and setting, Former Public Trust Office)

17. I understand from Ms Dixon that it relates to the following proposed RHAs: Chester Street East/Dawson Street and Inner-City West.
18. When considering the "costs and broader impacts of imposing" the limits in PC13 would have on the development that would otherwise be enabled in these policy 3 areas is it is important to note that while PC13 is likely to impact upon the development potential of individual sites, given the extent of development enabled through Policy, it will not result in broader impacts to the residential market. Additionally, the s77J site has recently undertaken works relating to earthquake repairs and associated upgrades. This investment would suggest a very limited feasible market potential to redevelop this site.

Phil Osborne

Dated 17 June 2025